

WEEK  
AGO

YEAR  
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# BUSINESS WEEK

START  
OF WAR  
1939



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**Fibers of the Future**  
**—The Postwar Fabrics**  
A Report To Executives



BUSINESS  
WEEK  
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PUBLISHED BY H. R. HILL PUBLISHING COMPANY, INC. • TWENTY CENTS

# *Could*

## "Village Blacksmiths"

### *win this war?*

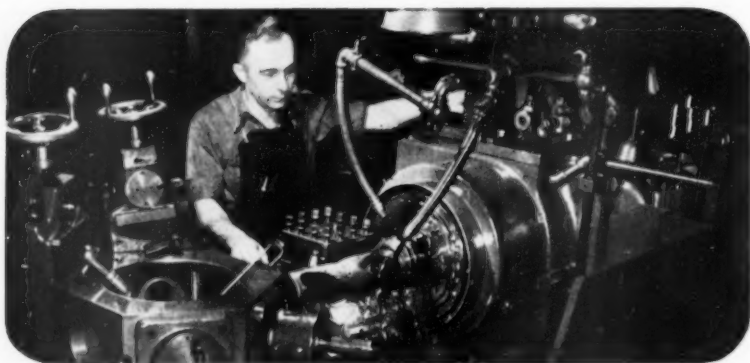
**S**OME people long for "the good old days" when every man worked for himself, when there were no great corporations, no huge plants.

Scores of countries still have that individual enterprise system, that "freedom" from big business . . . They have been over-run and enslaved by Germany and Japan.

The truth is that only American Industry, with its vast plants, can possibly turn out the flood of complicated, intricate planes and tanks and guns that will keep you free from foreign slavery. Government can't do it—the production of government arsenals is only a trickle. Individuals or small shops can't do

it alone—splendid as their work has been, they haven't turned out a single complete plane or tank.

Only Industry, as American opportunity has built it, can save America, in war and peace. And what is Industry? Just a collection of workmen (skilled laborers, bookkeepers, clerks, managers) working together with machinery that saved-up capital provides. That is the way and the only way all these workers can earn more than the Village Blacksmith ever dreamed of—and all can produce more, to overwhelm America's enemies who want to destroy American Industry, and hurl you back to slavery and starvation.



YOU CAN TURN IT BETTER, FASTER, FOR LESS...WITH A WARNER & SWASEY





## The tank that calms the crazy currents


*Koroseal is a typical example of B. F. Goodrich development*

**E**LECTRICITY used for chrome-plating metal airplane parts does crazy things once in a while. For example, in an ordinary tank "stray currents" occasionally develop in the mixture of chromic and sulphuric acid. When that happens, the electricity in the part to be plated actually drives the chrome away instead of attracting it. Control of the plating process is lost, and another part is rejected.

Plating men knew that a rubber tank lining would prevent stray currents. But this particular mixture of acids quickly destroys rubber. Then Koro-

seal was suggested. It's the B. F. Goodrich flexible material made from limestone, coke and salt. It's been used as a fabric coating for such things as baby pants, raincoats and a gasproof tent for fumigating orange trees. In one of its extruded forms it serves as insulation for electric cables. It resists the action of oil, water, air and most chemicals. It can be made into film or sheet. Why not try it in a plating tank?

B. F. Goodrich engineers lined the tank in the picture with Koroseal and checked the results. They were perfect—stray currents eliminated, production

control positive, parts and materials saved, the life of the tank extended because the acids had no effect on Koroseal. Today Koroseal serves industry as a lining for all kinds of acid tanks, and in many other important ways. Its use is currently restricted to essential applications. But limited quantities can be had for postwar experiment. If you have a problem that this versatile, flexible material might solve, write The B. F. Goodrich Company, Koroseal Division, Akron, O. 

**B.F. Goodrich**  
RUBBER and SYNTHETIC products



## HOW A SCRAP STORAGE BATTERY PINCH HIT FOR A NEW ONE

### ... A Salvage Story for Users of Industrial Storage Batteries

A few years ago, an Edison Alkaline Battery, operating an industrial truck in a New England railroad terminal, was retired from service as "worn out." It had passed the usual "retirement age" and was beginning to show signs of no longer having adequate capacity for the work.

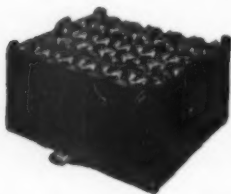
So the electrician in charge issued instructions to have it crated and shipped back to our factory for scrap credit. The battery was crated but in some unaccountable manner was not shipped. Instead, it was sidetracked into a corner of a dead storage room where it remained unnoticed for more than a year.

By lucky coincidence it was discovered again at a time when the terminal happened to be short of industrial-truck batteries. It was uncrated, charged, and put into one of the trucks just to see what it could do. It did so well that it was kept in regular use and was not finally replaced with a new one until more than a year later.

What this incident illustrates, more than anything else, is the fact that even after an alkaline battery reaches the normal end of its useful service life, and no longer delivers its full rated capacity, it is still a dependable power source, not in the habit of failing unexpectedly. Some of the unique characteristics of the Edison Alkaline Battery which account for this great reserve of dependability are cited in the columns below.

### ADVANTAGES OF THE EDISON ALKALINE BATTERY IN INDUSTRIAL TRUCKS AND TRACTORS

- ★ It is durable mechanically. High strength steel construction is used in the containers, grids, pole pieces, etc. The electrolyte is a preservative of steel.
- ★ It is foolproof electrically. It may be accidentally short-circuited, over-charged, over-discharged, or even charged in the reverse direction without injury.
- ★ It can be charged rapidly. It is not subject to finish-rate limitations. It requires no equalizing.
- ★ It withstands temperature extremes. It is not damaged by freezing. Free air spaces on all sides of all cells provide ventilation for rapid cooling under high temperature conditions.
- ★ It is simple to maintain. Merely charge adequately, add pure water, keep clean and dry.
- ★ Its tray assembly and cell connections are extremely simple.
- ★ Its life is so long that its annual depreciation cost is lower than that of any other type of storage battery.



EDISON STORAGE BATTERY DIVISION,  
THOMAS A. EDISON, INCORPORATED, WEST ORANGE, N. J.

# Edison

## ALKALINE BATTERIES

## BUSINESS WEEK

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### BUSINESS WEEK • MARCH 4 • NUMBER 1

(with which is combined The Annalist and the Magazine of Business). Published weekly by McGraw-Hill Publishing Company, Inc., James H. McGraw, Founder and Honorary Chairman. PUBLICATION OFFICE, 99-129 NORTH BROADWAY, ALBANY, NEW YORK. EDITORIAL AND EXECUTIVE OFFICE, 330 W. 42ND ST., NEW YORK 18, N. Y. James H. McGraw, Jr., President; Howard Ehrlich, Executive Vice-President; Curtis W. McGraw, Treasurer; J. A. Gerardi, Secretary. Allow ten days for change of address. About subscriptions address: J. E. Blackman, Jr., Director of Circulation, Business Week, 330 W. 42nd Street, New York 18, N. Y.

Subscription rates—United States, Mexico, Central and South American countries \$5.00 a year; Canada \$5.50 for a year. Entered as second class matter December 4, 1936 at the Post Office at Albany, N. Y., under the Act of March 3, 1879, return postage guaranteed. Printed in U. S. A. Copyright 1944 by the McGraw-Hill Publishing Company, Inc.

## Banking on the Invasion

President Roosevelt's dramatic break with Congress over the tax bill (page 17) and his attempt to hold the economic stabilization line by sheer stubbornness rather than by temporizing, as heretofore make sense only if they are considered against the background of the military situation.

Roosevelt is basing his policy on the assumption that the invasion will silence his critics for the moment.

After the landing in northern Europe, the country will be preparing either for prompt reconversion or for an unexpectedly long, exhausting war in Europe. In either case, the issues that confront the President then will not be the ones that face him now.

Meanwhile, Roosevelt is gambling on his ability to stand off all opposition without giving much more ground. Knowing the military timetable, he can gauge just how long he will have to hold out. This was the logic behind the tax veto message to Congress—so far as logic rather than plain spleen accounted for the veto.

## A Question of Time

In his dealing with Congress, however, the President overplayed his hand. Instead of biding its time, Congress revolted.

The big question now is whether Congress will have a chance to act on any important parts of the Administration program—extension of price control, for example—before the invasion starts.

If it does not, the President will have won his main point even though he lost face in the process.

## Unions Want Speed

On the wage stabilization issue, the outcome of the President's strategy is not clear yet. Efforts to break the Little Steel formula will get under way formally on Mar. 8, when a six-man panel of the National War Labor Board takes up the demand of C.I.O.'s United Steelworkers for a 17¢ hourly wage boost.

The last review of this sort, in 1942, took more than four months. If this one runs an equal time, the invasion presumably will be well under way before the steel workers get a decision. In that case, the union wouldn't be able to strike, or even threaten a strike, in the face of the country's feverish concentration on the military crisis.

Labor unions realize this as well as the President does. Their strategy will be to hurry the decision, perhaps even to force the issue by calling a strike before NWLB makes a ruling.

## Congressional Tempers Ruffled

Bad feeling between the White House and Capitol Hill wasn't eased any this week by developments in congressional committees.

Senatorial tempers—even those of a couple of senators who usually are pretty calm—flared when Jonathan Daniels, a presidential secretary, flatly refused to give any information about his "confidential" duties at the White House. This occurred before the Agriculture subcommittee investigating Rural Electrification Administration and the efforts to oust its head, Harry Slattery.

Again, thumbs were turned down on a favorite White House project when a Senate subcommittee on Appropriations voted to abolish the President's Fair Employment Practices Committee. The subcommittee's avowed objective is to slash a lot of quasiofficial executive agencies that have been set up without specific congressional approval through appropriations.

## Price Control by Publicity

Used car dealers have long suspected that, with respect to their industry, OPA has followed a policy of controlling prices by publicity. Frequent threats that price ceilings are imminent have had the effect of keeping prices in line (BW—Feb. 12'44, p. 5). They credit OPA's recent intimations of price control with the current slump in the market in many cities.

OPA officials say they are flattered, but they suspect the present slump—most marked in northern cities—is largely seasonal. Come warm weather and the urge to hit the open road, and OPA expects prices to soar again—and ceilings may become a necessity.

## Fair Trade Test Backfires

Ever since the Supreme Court upheld the constitutionality of the state fair trade acts, which permit manufacturers of branded products to fix resale prices by contracts with wholesalers and retailers in 45 states, Dept. of Justice attorneys have contended that exercise of this legal privilege of vertical price

fixing has resulted in illegal horizontal price fixing between manufacturers or between retailers.

This week, in its first attempt to establish the final legal distinction, the Antitrust Division suffered a setback when the U. S. Circuit Court in Colorado dismissed the trial action which had been brought many months ago against virtually the entire U. S. wine and liquor industry (BW—Aug. 14'43, p. 99), charging them with a conspiracy to set prices even above ceiling levels.

The Justice Dept. expects to appeal the case, involving 76 companies, trade associations, and individuals, so the industry will have only a slight respite.

## More Trouble Ahead

Liquor men can anticipate even more trouble from Washington. Sen. Pat McCarran, who has taken over the Senate's liquor investigation launched by the late Sen. Frederick Van Nuys, has announced that he will enlist the services of the Antitrust Division, the Treasury's Alcohol Tax Unit, and the Securities & Exchange Commission in a vigorous prosecution of the probe.

## Price Order Due June 1

That long-promised over-all price regulation for nonfood retailers (to replace the complicated structure of separate rulings which has grown out of the General Maximum Price Regulation) is now promised for June 1. Such, at least, was Price Administrator Chester A. Bowles' prediction at this week's meeting of the American Retail Federation in New York.

Nobody puts much confidence in the deadline, because after the simplified measure is drafted—in about three weeks, according to Bowles—it will be submitted for approval and revision to the 50 different types of retailers who make up the Council of National Retail Trade Assn.

From Bowles' brief preview of the order, it was apparent that it would not follow any of the hard and fast proposals made thus far (BW—Nov. 27'43, p. 82) but would (1) make pricing formulas simpler and more flexible; (2) allow retailers their historical markups; and (3) settle once and for all the fate of MPR 330, which prevents retailers from adding higher-priced lines than they carried before price regulation began (BW—Sep. 25'43, p. 92).

Stores probably will have their choice





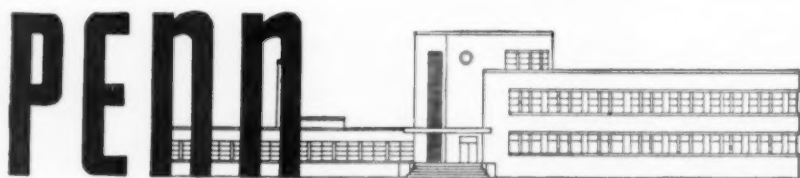
Whatever face the future may wear, it is certain that the bright new world promised for some time "after the war," will be, more completely than ever before, *an automatic world!*

New comfort, convenience and efficiency will be made possible by the magic "brains" and mechanical "hands" of automatic controls. Similar controls will speed production processes, guard quality, and lessen costs—to make the products of the future available to an ever widening market.

As an instance, heating the homes of tomorrow is now being approached as a problem in providing a year-round indoor climate that serves comfort, health, operating efficiency and economy. To the solution of

this problem, and the development of practical equipment to achieve the purpose, Penn Electric Switch Co. brings a long experience in the creation of sensitive, accurate, dependable temperature controls—a record of adventurous engineering which has pioneered many advancements.

While our engineering and production facilities are unreservedly in the service of our armed forces, we are prepared, without prejudice to this direct war work, to assist manufacturers in any field, who have control problems. *If your present or post-war product requires automatic control, consult us now.* Inquiry involves no obligation to you, of course. Write to Penn Electric Switch Co., Goshen, Indiana.



## AUTOMATIC CONTROLS

FOR HEATING, REFRIGERATION, AIR CONDITIONING, ENGINES, PUMPS AND AIR COMPRESSORS



pricing formulas under the new order; they'll simply report the chosen method to OPA—and stick to it.

## Vary on Senate Leadership

Prospects for bigger game in the near future may leave the Senate Republican leadership problem unsolved this year. The two most formidable candidates for the post vacated by the death of Charles McNary of Oregon—Robert A. Taft of Ohio and Arthur H. Vandenberg of Michigan—seem reluctant to bring the question to a head at this time because leadership of the Republican side of the Senate, where all factions are represented, might prove a high spot as the national political fight grows hot.

Net result probably will be retention of Sen. Wallace White of Maine, acting leader, until the November elections are over.

Taft presumably is backing Gov. John Bricker of Ohio for the Republican nomination, while Vandenberg is publicly supporting Gen. Douglas MacArthur. Both Senators, however, want to be in a position to move with maximum speed toward other camps if the winds begin to blow in different directions. Taft, likewise, is a potential candidate himself if New York's Gov. Thomas Dewey and Wendell Willkie should force the Republican convention into a stalemate.

isn't as black as it has sometimes been painted (BW—Feb. 26 '44, p10). Meat should continue fairly ample through April and May (when more beef will come to market), then tighten up over the summer. But supplies probably won't get quite as low as they got last summer.

## Marshall vs. Marshall

The suit brought by the Food Distribution Administration, now headed by M. Lee Marshall, against the Continental Baking Co., formerly headed by the same M. Lee Marshall (as board chairman), probably will end shortly in a consent decree.

The suit charges Continental Baking's Cleveland branch with violation of the consent provisions of Food Distribution Order No. 1 (bread and bakery products). FDA alleges that Continental allowed bakers to return unsold bread.

Marshall, who came in as FDA chief last January (BW—Jan. 22 '44, p7), has saved himself embarrassment from his previous connections by asking War Food Administrator Marvin Jones to take over the handling of the bread order himself.

## Lend-Lease Renewal Certain

Extension of lend-lease, slated to expire June 30, appears to be one major piece of scheduled legislation which should not seriously plague President Roosevelt. Some verbal fireworks from the Republican side, aimed at administration of the act rather than at the act itself, are expected. But when the actual voting comes, the act will be renewed for another year in almost its present form.

Prior to hearings before the House Foreign Affairs Committee this week, members met in secret session to plan for speeding the measure through the House. At this meeting, there was a unanimity of sentiment toward the bill which has been conspicuously lacking on other legislation recently.

## History Repeats on Wages

In January, 1941, about 40,000 over-the-road truck drivers received a pay increase from the old National Defense Mediation Board because railroad workers had been given a pay rise in an earlier wage award.

This week, history was repeated. The

## Truman Committee Speaks Out

Congressional resentment over the tendency of the armed forces and the White House to consider the war their private affair boiled over this week into the annual report of the Senate's Truman committee.

The first, and meatiest, section of the committee's 210-page report is devoted to the need for an early resumption of civilian production in many lines. On the score of civilian morale, the committee says flatly:

"Authorities who have been in a position to affect civilian understanding sometimes have acted unwisely. Civilian hysteria at home and a frenzy of additional conversion of civilians to war work will not help the men in the fighting lines. The invasion has been and will be well armed."

The committee comes out strongly, not for immediate reconversion, but for a type and a level of civilian production which will put the economy in sound shape for a long war, if need be, for a smooth transition to peace otherwise.

Some of the recommendations are:

(1) Aside from a few complicated items which may be added to the list of essential civilian goods (washing machines and other household appliances are specifically mentioned), the war agencies, in blueprinting the reconversion job should not attempt—with or without the cooperation of industries—to designate which manufacturers should be allowed to make peacetime goods, what goods they shall make, etc.

(2) With respect to such increased civilian production as may be possible, a manufacturer should be allowed to make anything he desires providing basic materials (such as steel and aluminum) and labor are available.

(3) The quota system of allocating manufacture of civilian goods (page 15) should be used gingerly, if at all.

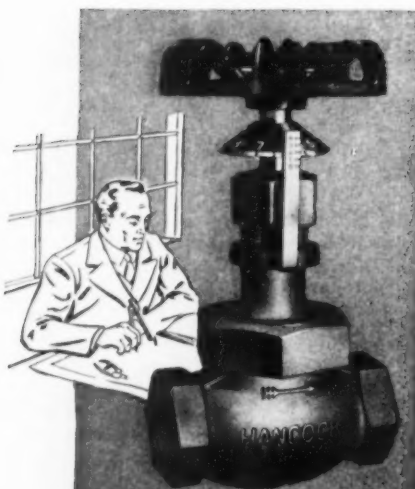
On the score of manpower, which the committee ties in closely to its disertation on civilian production, the report comes out strongly against a national service law, hits at underutilization, maintains (and documents its contention) that many shortages are more imagined than real.

## Strategy in Meat Point Cut

Politically embarrassed by Canada's temporary suspension this week of meat rationing, OPA rushed through its announcement that drastic reductions in the ration-point values of pork are on the way.

OPA officials have a good explanation of why Canada was able to suspend rationing, while the U. S. could just cut points. Canada uses the "block" system of meat rationing, under which consumers are entitled to a certain poundage of all meat products weekly. There are no points to be cut on certain items while having a high value on others—hence a ration holiday was the only answer.

The present free-and-easy state of U. S. meat supplies results from (1) reduced shipment to the armed forces abroad—we are shipping troops and fighting equipment instead of food—and (2) continued heavy farm slaughter. These conditions won't continue forever, but the meat outlook for civilians



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Makers of Hancock Valves, Ashcroft Gauges, Control Gates, Safety and Relief Valves and American Industrial Instruments. Dealers of Shaw-Box Cranes, Budget and Load Lifter cranes and other lifting equipment.

National War Labor Board gave the truck drivers what amounts to a 7¢-an-hour pay boost (2¢ an hour under the Little Steel formula, about 5¢ in lieu of overtime and away-from-home expenses). Reason: The presidential award earlier this year to 350,000 railroad operating employees of a 9¢-an-hour increase (4¢ under the Little Steel formula, 5¢ in lieu of overtime and away-from-home expenses).

### Pipeline Plans Disowned

Army & Navy Petroleum Board got its wires crossed with Petroleum Administration for War a second time when it announced a project to build two pipelines across the Isthmus of Tehuantepec, from Puerto Mexico to Salinas Cruz, in addition to the proposed Good Neighbor line from Tampico to Mexico City (page 116). The first conflict was when the Army disregarded PAW in pushing through its Canol project in Canada.

Interior Secretary Harold L. Ickes told a congressional committee this week that all he knew about the Mexican pipelines was what he had read in the papers.

PAW later issued a statement disclaiming knowledge of the project, although the Army & Navy Petroleum Board had announced that PAW would work out construction details.

### Capital Gains (and Losses)

Public address equipment, because such systems aid in handling personnel as well as provide music in plants during "fatigue" periods (BW-Apr. 3 '43, p64), will be made available to a limited number of industrial establishments by WPB.

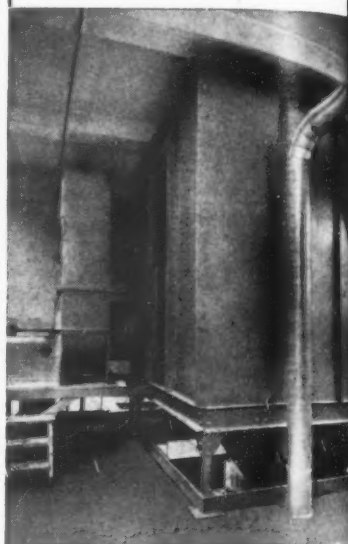
Two extra trains daily for 30 days to bring stranded vacationists back from Florida were authorized this week, but Office of Defense Transportation doesn't expect to make a habit of this generosity. ODT warns other thousands planning to go South that no return Pullman space will be available, that coach space will be crowded and uncomfortable.

The Kentucky Derby will be held in magnificent privacy again this year. Theoretically, no tickets are to be sold to anyone (except to allow boxholders to retain their boxes for future years) residing outside the Louisville area.

Victory gardeners may take a bow. Chester Bowles gives them credit for this week's cut on canned vegetable ration points. Interestingly, this Victory garden bonus comes just before planting time—a reminder to grow more in '44.

—Business Week's  
Washington Bureau

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# THE OUTLOOK

BUSINESS WEEK  
MARCH 4, 1944



The armed services want a lot more able-bodied men than they have been getting—and industry will have to supply a large share of them.

That's the obvious significance of President Roosevelt's memorandum last week end to the War Manpower Commission and Selective Service; it's the clear meaning of the declaration by the President's five-man medical commission that physical standards cannot be lowered so that more 4-F's can be taken; it is further borne out by the order of Maj. Gen. Lewis B. Hershey to state Selective Service directors requiring review of all men in 2-A, 2-B, 2-C, and 3-C with "special attention to all registrants under 26 years of age."

Industry has become familiar with the dictum that men under 22 are replaceable, regardless of their skills. Now it is to learn that **all under 26 are to be scooped up if they are good combat material.**

From the new emphasis on only those men who are fit for combat troops, it seems obvious that the Army has reached full effective size. It has taken all the men it needs for limited service. Now it must train new combat units for replacements.

This fits perfectly into the gospel Washington has been preaching ever since early in February: No complacency; the war isn't over; let's go all-out now so as to get it over the more quickly.

This isn't going to help companies which have clung to their young men in the hope that occupational deferments in critical industries would be draft-proof. For them it means a belated hunt for replacement personnel in a market that has dried up, at a time when they are hitting their full production stride.

For employers who accepted the repeated warnings of Selective Service at face value, however, the review of deferments amounts to a left-handed dividend in manpower.

Industries which will be especially hard hit are synthetic rubber and aviation gasoline (there undoubtedly are others) which rely especially heavily on young men.

Care of returning veterans, heretofore widely regarded as a subject for legislation, is being taken over with more or less subtlety by the executive branch of the government in this election year.

The President this week directed Civil Service and executive departments and agencies to "give special emphasis to replacing veterans."

Jesse Jones announced that Reconstruction Finance Corp. loans would be available to reestablish returning service men in business.

The drive to keep war workers in their jobs against the lure of greater permanence and postwar security in civilian lines (even though nonwar jobs pay less) is getting up steam.

Dismissal pay and postwar job priorities (page 106) for those who stay at war work now are getting attention of the War Manpower Commission. Officials admit they are worried because people are shifting out of war jobs now for fear of what will happen to them when the cutbacks begin to come in volume.

Steps are being taken to afford to consumers some measure of relief from the shortages which exist in many types of textiles. One step is the decision of the regional war labor board in Atlanta to authorize voluntary wage

# THE OUTLOOK (Continued)

BUSINESS WEEK

MARCH 4, 1944

increases up to 50¢ an hour, with consistent advances in higher brackets, throughout the Southeast (page 111).

Already the board has approved a general increase of 7½¢ for employees of Cannon Mills; **and other southern textile employers are getting in line.**

**The scent of higher wages should attract new workers to southern mills.** And if labor forces are built up sufficiently, **some mills will be able to inaugurate three-shift operations**—adding to production while cutting off time-and-a-half pay for overtime paid on the present two-turn schedule.

The regional board felt justified in allowing higher wages without too much red tape because pay in the industry is classed as substandard.

Of course, the unions aren't altogether satisfied. In fact, the C.I.O. Textile Workers Union has a demand for a 60¢ minimum in 20 southern mills before the National War Labor Board.

●  
**Production of cotton textiles last year fell 6.3% from 1942.** This was enough, despite slightly larger output of woolens and rayons, to drag over-all textile production down by 4.7%.

The labor squeeze, as might be expected, has steadily aggravated the decline in output. While it spreads right across the industry, it is nowhere more obvious than in spinning of cotton yarns.

**The index of spinning activity, at 124 in January of this year, was off more than 11% from the same 1943 month.** Manufacturers complain that they are so pinched for yarns that, in lines like underwear, they simply can't book fall orders which, normally, would have been placed long ago.

●  
**Contributing to the trouble in cotton yarns—as in other textile lines—is the squeeze between rising costs and ceiling prices.**

The industry blames much of its trouble on the Office of Price Administration's reluctance to grant price relief. Meanwhile, the Office of Civilian Requirements is demanding that spinners meet essential civilian needs, and the War Production Board, after ordering an increase in production of sheeting, has found it necessary to give the mills fairly high priority ratings for their yarn requirements.

●  
Despite all its present troubles, **the textile industry has an exciting future in postwar markets** (Report to Executives, page 47).

Carpet and rug manufacturers, hard hit since the very beginning of the war by shortage of backing materials (principally burlap) and carpet wool, have just as rosy plans as any. **They see a market that will keep them at top speed for two years just filling gaps in wholesale and retail stocks.**

And the rugs they will make? They'll feature more synthetic fibers, they'll be resistant to spots and stains, and they'll be treated to resist insects and mold, just to cite a few of the predictions.

●  
**America's long-standing penchant for fine packaging** (in contrast with continental Europe's tendency to wrap small purchases in newspaper, if at all) **already is being jolted.** Laundries and dry cleaners, long plagued by manpower and price problems, now regard shortage of kraft wrapping paper and folding paperboard boxes as just about their No. 1 hardship.

In another field, exporters of farm implements (needed to rehabilitate agriculture and food production in liberated areas) warn that their shipments must soon be curtailed unless they get more lumber for crating.



# FIGURES OF THE WEEK

THE INDEX (see chart below). . . . . \*242.4 †242.3 242.6 238.5 228.7

## PRODUCTION

	\$ Latest Week	Preceding Week	Month Ago	6 Months Ago	Year Ago
Steel Ingot Operations (% of capacity).....	97.5	97.7	96.8	99.4	98.2
Production of Automobiles and Trucks.....	18,050	†18,110	18,250	20,055	17,805
Engineering Const. Awards (Eng. News-Rec. 4-week daily av. in thousands)....	\$5,294	\$5,125	\$7,102	\$7,322	\$13,489
Electric Power Output (million kilowatt-hours).....	4,445	4,512	4,524	4,322	3,893
Crude Oil (daily average, 1,000 bbls.).....	4,423	4,385	4,409	4,196	3,873
Bituminous Coal (daily average, 1,000 tons).....	2,053	2,158	2,108	2,002	2,027

## TRADE

Miscellaneous and L.C.L. Carloadings (daily average, 1,000 cars).....	77	78	78	82	75
All Other Carloadings (daily average, 1,000 cars).....	52	55	55	67	51
Money in Circulation (Wednesday series, millions).....	\$20,696	\$20,610	\$20,387	\$18,303	\$15,952
Department Store Sales (change from same week of preceding year).....	-9%	-21%	+15%	+15%	+33%
Business Failures (Dun & Bradstreet, number).....	36	25	24	45	111

## PRICES (Average for the week)

Spot Commodity Index (Moody's, Dec. 31, 1931 = 100).....	249.3	249.3	248.4	246.8	247.7
Industrial Raw Materials (U. S. Bureau of Labor Statistics, Aug., 1939 = 100)...	162.4	162.1	161.3	160.5	159.0
Domestic Farm Products (U. S. Bureau of Labor Statistics, Aug., 1939 = 100)...	221.3	221.1	220.1	215.2	205.6
†Finished Steel Composite (Steel, ton).....	\$56.73	\$56.73	\$56.73	\$56.73	\$56.73
†Scrap Steel Composite (Iron Age, ton).....	\$19.17	\$19.17	\$19.17	\$19.17	\$19.17
†Copper (electrolytic, Connecticut Valley, lb.).....	12.000¢	12.000¢	12.000¢	12.000¢	12.000¢
†Wheat (No. 2, hard winter, Kansas City, bu.).....	\$1.63	\$1.63	\$1.63	\$1.41	\$1.38
†Sugar (raw, delivered New York, lb.).....	3.74¢	3.74¢	3.74¢	3.74¢	3.74¢
†Cotton (middling, ten designated markets, lb.).....	20.88¢	20.93¢	20.52¢	20.53¢	21.11¢
†Wool Tops (New York, lb.).....	\$1.306	\$1.304	\$1.294	\$1.370	\$1.254
†Rubber (ribbed smoked sheets, New York, lb.).....	22.50¢	22.50¢	22.50¢	22.50¢	22.50¢

## FINANCE

90 Stocks, Price Index (Standard & Poor's Corp.).....	94.2	93.8	93.8	93.2	86.9
Medium Grade Corporate Bond Yield (30 Baa issues, Moody's).....	3.73%	3.72%	3.74%	3.82%	4.03%
High Grade Corporate Bond Yield (30 Aaa issues, Moody's).....	2.74%	†2.74%	2.74%	2.69%	2.77%
U. S. Bond Yield (average of all taxable issues due or callable after twelve years)...	2.32%	2.32%	2.34%	2.28%	2.32%
Call Loans Renewal Rate, N. Y. Stock Exchange (daily average).....	1.00%	1.00%	1.00%	1.00%	1.00%
Prime Commercial Paper, 4-to-6 months, N. Y. City (prevailing rate).....	‡-3%	‡-3%	‡-3%	‡-3%	‡-3%

## BANKING (Millions of dollars)

Demand Deposits Adjusted, reporting member banks.....	31,902	31,509	34,813	35,145	31,129
Total Loans and Investments, reporting member banks.....	53,267	53,854	50,287	46,719	41,353
Commercial and Agricultural Loans, reporting member banks.....	6,412	6,446	6,369	5,739	6,042
Securities Loans, reporting member banks.....	2,868	3,012	2,133	1,418	953
U. S. Gov't and Gov't Guaranteed Obligations Held, reporting member banks...	38,755	39,139	36,585	34,209	28,438
Other Securities Held, reporting member banks.....	2,842	2,843	2,801	2,902	3,272
Excess Reserves, all member banks (Wednesday series).....	1,100	1,300	1,020	1,106	1,788
Total Federal Reserve Credit Outstanding (Wednesday series).....	12,240	11,961	12,385	9,137	6,223

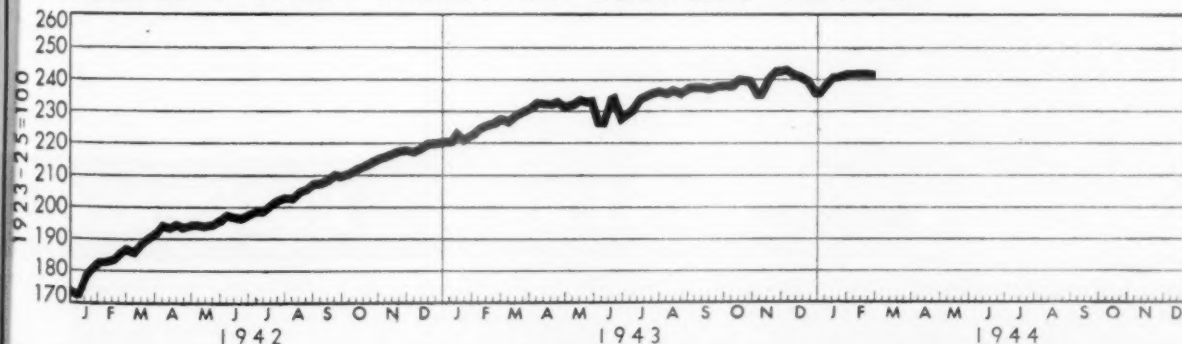
\* Preliminary, week ended Feb. 26th.

† Revised.

‡ Ceiling fixed by government.

§ Date for "Latest Week" on each series on request.

## BUSINESS WEEK INDEX OF BUSINESS ACTIVITY





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**TEMP**

PD-212

## No Ban on New Competition

Reconversion planning in WPB now veers away from protecting the prewar position of manufacturers. Prevention of wholesale layoffs and localized unemployment is emphasized.

A new attitude toward the ticklish problem of handling competitive relationships during the early stages of reconversion suddenly has begun to make headway in WPB.

Unless officials change their minds again, production of civilian goods and prevention of localized unemployment will be the foremost aims of future reconversion programs. Protection of prewar competitive positions of manufacturers—until now one of the controlling factors in reconversion planning—will rate a poor third, if that.

● **As It Looks Now**—At first glance, the switch in policy may look academic, but some of the consequences line up like this:

(1) WPB will not insist on starting all companies in an industry from the same mark. Some manufacturers may get back into civilian work while their competitors are still tied up on war orders.

(2) The system of basing production quotas on the prewar division of the market will be followed only when it does not interfere with the more important factors—production of civilian goods and prevention of wholesale layoffs when war contracts are canceled.

(3) Newcomers will be allowed to get into the civilian production race, partly because WPB can find no defensible grounds for keeping them out, partly because it knows Congress and the Dept. of Justice would quickly take a hand if it tried.

(4) On the whole, reconversion will move faster—once it gets started—and fewer companies will find themselves hung up with war orders canceled and civilian work stymied by government controls.

● **In Easy Labor Areas**—The line that official thinking now takes is something like this: In the interval between the end of the German war and cessation of hostilities with Japan, manufacturers in "no-labor-shortage" areas who have lost their war orders will be allowed to resume civilian production, provided they use no scarce components and drain no specialized labor from war work.

At one time, WPB favored the theory that, by keeping companies shut down in easy labor areas, it could force manpower to move into shortage areas. It has given up that hope now. Hence, it has no reason—aside from the competitive angle—for keeping plants in easy

labor areas under wraps once their war work has stopped.

● **In Shortage Areas**—Companies in tight labor areas will not be allowed to get back into civilian work, regardless of what happens to the rest of their industry.

The same thing goes for manufacturers whose product still is needed for the war program, regardless of where they are located. This means, of course, that some companies may have to stick to war work—or perhaps even sit idle—while their competitors romp back into the civilian market.

Where it can, WPB may try to take the sting out of this system by allowing companies in tight labor areas to put their trademark on articles produced for them under subcontract.

● **Quota Plan in Disfavor**—But the latest thinking is that it should forget

about the rigid quota system it applied to the test tube program for electric irons (BW—Jan. 8 '44, p18). That was the plan that gave every manufacturer—regardless of his manpower situation or the size of his war work—the right to apply for a quota based on his prewar share of the market. Companies in tight labor areas would have been permitted to subcontract or relinquish their quotas to manufacturers who were not tied up.

The more officials see of the quota system, the more they believe that it puts reconversion into a straitjacket just at the time when flexibility is most needed.

● **No Ban on Newcomers**—In authorizing schedules for civilian production, WPB will, necessarily, assign quotas to manufacturers, but the quotas will not be figured on the basis of prewar output. Instead, if WPB stays with its new line of thinking, it will shuffle schedules for civilian production with the idea of enabling plants that have taken cutbacks in war orders to continue at maximum levels of production and employment.

Newcomers will be admitted, even though not welcomed. WPB still thinks it is unfair to established manufacturers



### HOMES FOR INVADERS

Row upon row of prefabricated barracks and huts in knocked-down form represent only foothills in the mountains of invasion supplies in England. Eventually, they'll become "home" to

such masses of American troops as arrived last week aboard a record-breaking convoy. Designed to house soldiers in Europe, such semipermanent buildings reflect a general conviction that the final assault on Hitler's fortress will be no quick job.

to let ambitious companies from other fields invade their markets while they are tied up on war work—but where there is no other reason for refusing an applicant, the new idea is that WPB should not turn a newcomer down solely because he has no prewar record in a particular line.

• **Legality Doubted**—WPB's legal authority to freeze out newcomers is dubious, and in any case, many top officials think that trying to restore prewar relationships is worse than hopeless after the way the war program has scrambled industry.

If WPB says that newcomers will not be welcome, it is not making an empty bluff. Hence, any company that wants permission to break into the production of a new line will have to see to it that there is nothing questionable in its manpower, materials, or facilities setup.

• **WPB Divided**—Nobody knows at this time whether the new brand of thinking will go far enough, or last long enough, to become official policy for the important reconversions that will come after a successful invasion in Europe. WPB is split down the middle on the question, and topside opinion is so evenly divided that it wouldn't take much to swing the balance.

## One Plan for Two

George's demobilization bill may be overhauled to make concessions to Baruch. Points in trade are not yet revealed.

Although there hasn't been any obvious waving of olive branches, Sen. Walter F. George, representing Congress, and Bernard M. Baruch, representing the White House, are moving rapidly toward a compromise on their plans for liquidation of the war program (BW—Feb. 26 '44, p. 17).

The big disagreement—the question of whether Congress shall exercise direct supervision over the work of demobilization agencies—remains unsettled, but both sides seem to be willing to give ground.

• **Baruch Report Gains**—George and his postwar planning committee have warmed up to the Baruch plan since they have had time to study it.

In introducing the bill that would put his own program into effect, George went out of his way to give Baruch a boost and to state that the George bill did not mean that Congress should



Barney Baruch rates flash billing of his postwar plans at a movie on 42nd Street in Manhattan. He rates it, at least, in the eyes of RKO Pathe New York, which produced the short, even though the theater's soldier clientele seems rather dubious.

control all the detailed operations of the proposed Office of Demobilization.

Baruch, on his side, added an extra paragraph to the final version of his massive report, emphasizing that Congress should lay down any policies that it "feels wise and desirable."

• **Overhaul Job Likely**—No legislation has been introduced specifically designed to implement Baruch's program. Hence the showdown probably will come when Congress gets around to acting on the George bill.

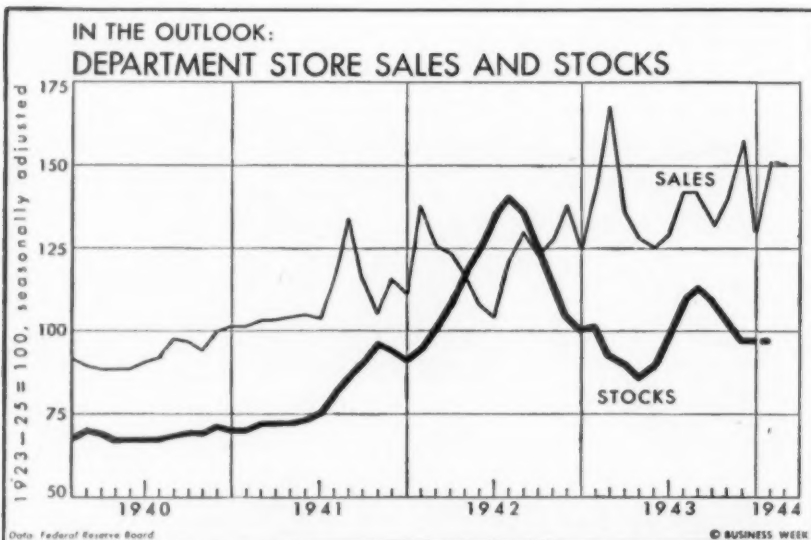
It is possible that the George bill will be overhauled by amendment to make a number of concessions to Baruch, while at the same time retaining the framework of the original George bill.

But even the shrewdest of Capitol Hill prophets aren't sure yet what points will be involved in the trade.

• **George's Plan**—In its present form the George bill would establish a central Office of Demobilization, headed by a director and a seven-man board. The director would lay down general policies for reconversion, contract termination, surplus disposal, and other demobilization problems. Actual operations would be handled by existing agencies—the military services, Reconstruction Finance Corp., WPB, and others.

Standing behind the director would be a joint congressional committee, composed of three members from each house.

The committee would exercise direct authority over operations, but would receive monthly reports from the



The seasonal pattern of department store sales has altered during the war. Volume normally rises from November to December, drops sharply into January and February. Indexes corrected for the average of such seasonal changes were fairly smooth up to 1940. Since Pearl Harbor, sales haven't risen by the expected amount in December, or fallen as much in January or February. Hence the adjusted index

drops in December, and bounces up in January and February. As anticipated (BW—Oct. 2 '43, p. 13), stocks of winter merchandise accumulated in the summer were sold off toward the year end. Dollar totals include considerable slow-moving "ersatz" goods and also reflect shifts from low-end to higher-priced lines. Thus, unit inventories in the majority of cases are even lower than the total indicates.



director and act as a watchdog to see that the policies prescribed by Congress were followed.

**Probable Outcome**—The best bet is that when the shooting and compromising are over in the congressional maneuvering to harmonize the George and Baruch plans, final results will line up something like this:

Congress probably will insist on establishing the surveillance committee, but it is likely to write in enough safeguards to assure mobilization executives a free hand in administrative matters.

The steps that War Mobilization Director James F. Byrnes has taken to put the Baruch program into effect—appointment of the administrator of surplus disposal and the director of retraining and re-employment and establishment of the Joint Contract Termination Board on a permanent basis—are almost sure to get legislative approval.

The contract termination provisions of the George bill, which Baruch indorses, will pass just about as they stand.

Sooner or later, Congress will authorize establishment of a central office, but for the present it may be willing to leave control over demobilization in the Office of War Mobilization, which would make Byrnes the director.

Baruch's suggestion for passing a postwar tax bill now and putting it on the shelf will make little headway. Congress feels that it has too many tax troubles already and it doesn't want to cross another bridge until it comes to it. Moreover, it would be almost impossible to write an adequate bill—without some idea of what postwar revenues and expenditures will be.

**Congress Likes Clayton**—One thing that has made congressmen more receptive toward the Baruch program has been Byrnes' choice of William L. Clayton for the job of surplus disposal director.

By putting him into the key position, Byrnes promptly killed off any suspicion that the Administration was using the Baruch report as a stalking horse for an undisclosed plan of its own.

**Job for Congress**—Another thing that reassured congressmen was Baruch's somewhat belated statement of the legislation needed to back up his program, all of which fits in with the George plan in these points:

(1) Congress should lay down whatever policies it feels wise and desirable to guide the existing agencies in their handling of demobilization problems.

(2) The work director (Byrnes changed the title to retraining and re-employment director) should work with Congress on a combined program of legislation and administrative action to handle the human side of demobilization.

(3) There should be legislation along the lines of the George bill for termination of contracts and payment of settlements.

(4) The surplus administrator should report to Congress as soon as possible on legislation for surplus disposal.

(5) Price control, priorities and allocations

powers, and requisitioning powers of the President should be continued.

(6) Lending authority of the Smaller War Plants Corp. should be extended.

(7) Federal Reserve System's authority to make industrial loans should be extended.

(8) Legislation on postwar taxes and plans for postwar public works should be enacted.

**Future Sore Spots**—Of these eight points, only the last—immediate planning on taxes and public works—is likely to run into any real resistance in Congress. This doesn't mean, however, that the Administration and Congress never will come into head-on conflict over demobilization.

At the moment, congressmen can see two potential future sore spots:

(1) Although both Baruch and George insist that the government must not operate any of its war-built plants in competition with private business, some congressmen suspect that the Administration intends to use plants in specific industries as yardsticks or as monopoly breakers. If there is any delay in disposing of plants, a congressional explosion is likely.

(2) Regions that have enjoyed wartime prosperity are going to resist bitterly when the time comes to close down their new industries. This means that almost certainly there will be a succession of sectional fights in Congress, no matter how smoothly the broad program works.

## Irony of the Veto

Politics—not taxes—were at issue in the fight. No further boosts seen this year, although simplification is likely.

One of the many ironic sidelights on the recent battle between Congress and the President is that the 1943 tax bill, which touched off the explosion, is the most innocuous revenue measure since the start of the war program. Considered strictly as a tax measure, it offered only the flimsiest grounds either for vetoing or for overriding a veto.

**Intentional Miss?**—The flareup was in reality the culmination of the growing friction between the executive and legislative departments of the government.

The stinging rebuke which the President administered to Congress obviously overshot its mark; conceivably, it was intended to, for some observers on Capitol Hill think that Roosevelt, with his eye on the election, intends to draw an ever sharper line between the coalition of Republicans and conservative Democrats in Congress and his own Administration.

Further political significance is read



### TOUGHER DRAFT AHEAD

Drastic action in Selective Service is usually in the wind when Maj. Gen. Lewis B. Hershey goes to Capitol Hill. His appearance with Sen. Arthur Capper (above) before the Senate Agriculture Committee last week was no exception. Called to answer farm group howls that tightened rules on occupa-

tional deferments (BW—Jan. 15 '44, p90) threaten food production, Hershey bluntly told committeemen that the draft will get "tougher and tougher," that the Army is 200,000 men behind schedule. President Roosevelt underlined the draft chief's prediction 24 hours later by ordering a nation-wide review of some 5,000,000 occupational deferments (page 9).

# Taxes Under the Old and New Laws

## Income Taxes

Net Income Before Personal Exemption	Single Person		Married Person, No Dependents		Married Person, Two Dependents	
	Old Law	New Law*	Old Law	New Law*	Old Law	New Law*
\$600...	\$17.00	\$20.28	\$1.28	\$1.28	\$1.19	\$1.28
750...	50.85	53.78	6.28	6.28	5.86	6.28
1,000...	118.40	120.74	14.61	14.61	13.64	14.61
1,200...	168.13	170.01	21.28	21.28	19.86	21.28
1,500...	242.73	243.91	79.28	88.28	29.19	31.28
2,000...	367.06	367.08	205.45	217.45	57.75	66.95
3,000...	632.60	630.28	445.78	463.78	290.74	314.16
4,000...	915.01	910.36	713.11	737.11	532.22	563.86
5,000...	1,219.93	1,212.95	987.20	1,017.20	804.08	843.95
6,000...	1,547.35	1,538.03	1,297.28	1,333.28	1,080.44	1,128.53
8,000...	2,269.68	2,255.70	1,971.44	2,019.44	1,718.66	1,783.20
10,000...	3,063.36	3,063.36	2,735.61	2,795.61	2,446.89	2,527.86
15,000...	5,513.35	5,477.03	5,039.78	5,123.78	4,676.94	4,793.03
20,000...	8,477.93	8,399.95	7,906.45	7,990.45	7,453.75	7,580.95
30,000...	15,436.48	15,275.16	14,710.78	14,794.78	14,164.99	14,314.41
40,000...	23,067.15	22,774.74	22,163.11	22,247.11	21,547.85	21,719.49
50,000...	31,283.96	30,769.33	30,240.58	30,225.95	29,497.21	29,682.58
100,000...	77,745.49	76,119.74	76,591.86	75,466.11	75,738.24	74,812.49
150,000...	128,324.51	125,587.66	127,155.13	124,918.28	126,285.76	124,248.91
250,000...	232,300.69	227,341.61	231,107.69	226,648.61	230,214.69	225,955.61
500,000...	493,689.58	483,174.95	492,496.58	482,481.95	491,603.58	481,788.95
750,000...	753,827.00	739,008.28	753,250.00	738,315.28	752,973.00	737,622.28
1,000,000...	1,006,327.00	994,841.61	1,005,750.00	994,148.61	1,005,473.00	993,455.61
5,000,000...	5,046,327.00	5,046,827.00	5,045,750.00	5,046,750.00	5,045,473.00	5,046,673.00

\* Including one-half of unforgiven tax which would be payable Mar. 16, 1946.

## Excise Taxes

Item	Old Law	New Law†
Distilled spirits.....	\$6 per gallon	\$9 per gallon
Drawback on nonbeverage alcohol.....	\$3.75 per gallon	\$6 per gallon
Beer.....	\$7 per barrel	\$8 per barrel
Wine:		
(a) Still:		
Under 14% alcohol.....	10c per gallon	15c per gallon
14 to 21% alcohol.....	40c per gallon	60c per gallon
Over 21% alcohol.....	\$1 per gallon	\$2 per gallon
(b) Sparkling.....	10c per half-pint	15c per half-pint
(c) Other.....	5c per half-pint	10c per half-pint
General admissions.....	1c per 10c or fraction thereof	1c per 5c or major fraction thereof
Lease of boxes or seats, etc.....	11% of charge	20% of charge
Cabarets.....	5% of charge	30% of charge
Club dues and initiation fees.....	11% of charge	20% of charge
Bowling alleys.....	\$10 per alley	\$20 per alley
Billiard parlors.....	\$10 per table	\$20 per table
Transportation of persons.....	10% of charge	15% of charge
Communications:		
(a) Toll service.....	20% of charge	25% of charge
(b) Telegraph, etc., domestic.....	15% of charge	25% of charge
(c) Leased wires, etc.....	15% of charge	25% of charge
(d) Wire and equipment services.....	5% of charge	8% of charge
Local telephone service.....	10% of charge	15% of charge
Jewelry.....	10% of retail price	20% of retail price; except watches retailing for not more than \$65 and alarm clocks retailing for not more than \$5. 10%; silver-plated flatware exempted
Furs and fur-trimmed articles.....	10% of retail price	20% of retail price
Luggage, handbags, wallets, etc.....	10% of manufacturers' sales price on luggage only	20% of retail price
Toilet preparations.....	10% of retail price	20% of retail price
Electric light bulbs and tubes.....	5% of manufacturers' sales price	20% of manufacturers' sales price
Postal rates:		
First class, local.....	2c per ounce	3c per ounce
Air mail.....	6c per ounce	8c per ounce
Fourth class.....	Various	Rate increased by 3%, or 1c, whichever is greater
Registered mail.....	15c to \$1 per article	20c to \$1.35 per article
Insured mail.....	5c to 35c per article	10c to 70c per article
C.O.D. mail.....	12c to 45c per article	24c to 90c per article
Money orders.....	6c to 22c per article	10c to 37c per article

† Effective Apr. 1, except postal rates which are effective Mar. 26.

into the veto because the President established enactment of a "realizing" tax law as precedent to a national ice act (BW-Jan.22'44,p90).

The failure of Congress to enact law to his liking presumably would lieve him of the necessity of plumping for national service, a measure vigorously opposed by organized labor.

• **Small Over-All Difference**—Although the new taxes may make a considerable difference in individual cases, they would do much to alter the country's overall income and expenditure picture.

Most of the \$600,000,000 boost in individual income taxes and the \$500,000,000 jump in corporate taxes will be offset by freezing Social Security levies at 1% each for employer and employee. Almost all of the net increase in revenue under the new bill—roughly \$1,000,000,000—will come from stiffer excise and postage rates (BW-Jan.29'44,p11).

• **Personal Rates Unchanged**—Special revenue provisions stack up like this:

(1) Personal income tax rates (table) remain unchanged, but in 1944, individuals will not be permitted to deduct their earned income credit (10% of the income subject to normal tax) or the federal excises they paid during the year.

(2) The corporate excess-profits tax jumps from 90% to 95%, but the normal and surtax rates stay at 40%, and the 80% ceiling on total taxes remains in effect. Companies using the investment capital method of calculating their excess-profits tax credit will be allowed \$7 on the first \$5,000,000 of capital under the old law, 6% on the next \$5,000,000 (instead of 7%), 5% on the next \$190,000,000 (instead of 6%), and Over \$200,000,000, the credit stays 5%.

(3) Excise taxes and postage rates step up sharply, but the list of commodities subject to excises remains substantially unchanged (table).

• **Exemptions Modified**—Besides the rate increases, the new law puts into effect a number of changes in exemptions and procedural provisions, including the five that Roosevelt attacked as "special privileges." All of these five are fairly technical points, and there is a good deal of debate, even among the experts, about the way they will work out.

One of the things that infuriated Congress was the belief that the President deliberately chose provisions that were too complicated for the public to understand and represented them as a sellout to pressure groups. Most congressmen suspected that the veto message would have ignored the "special privileges" if the President had not been looking for a chance to discredit Congress.

• **The "Special Privileges"**—Briefly the five controversial provisions are:

(1) Corporations that have gone through bankruptcy may keep the excess profits tax

President's exemption of their predecessors instead of calculating a new exemption based on their newly deflated capital structures.

(2) Percentage depletion allowances—special deductions intended to compensate for the exhaustion of certain natural resources—extended to a number of minerals, such as mica, potash, feldspar.

(3) Lumber producers may now treat income from cutting timber as a capital gain rather than as regular income. In many cases, this will entitle them to lower rates.

(4) Natural gas pipelines become exempt from the excess-profits tax.

(5) Commercial airlines continue to get a tax concession on income from their air-mail contracts.

• **Union Returns Ignored**—Another administrative provision of the new law requires a number of tax-exempt organizations—particularly labor unions and cooperatives—to file annual returns. The President said nothing about this in his message, but some congressmen think that it had more to do with the veto than any of the points he listed.

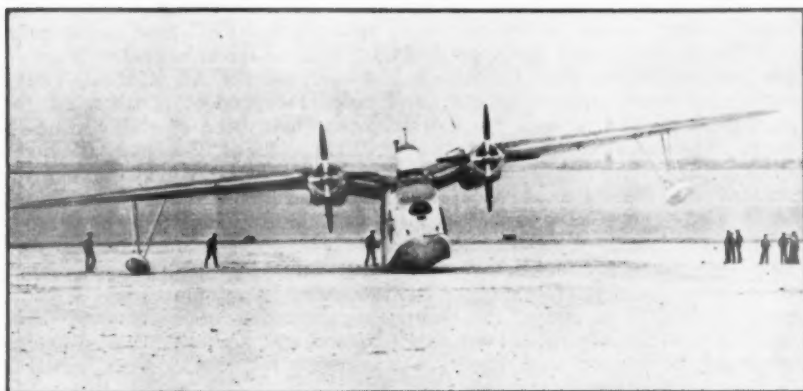
On contract renegotiation, the new law makes only two big changes: It sets Dec. 31, 1944, as the cutoff date, subject to six-month extension by executive order; it gives contractors specific permission to appeal to the tax court.

• **War Dept. Satisfied**—The President's mention of the cutoff date as one of his reasons for vetoing was a particularly sore point with Congress (1) because he said nothing about the six-month extension, and (2) because the Senate Finance Committee had modified its drastic amendments to make them acceptable to the War Dept. and had received an informal assurance that the final version of the bill was satisfactory.

The President's demand for a new bill producing more revenue will get nowhere with Congress unless the military situation takes an unexpectedly bad turn.

• **A Sure Bet**—Fairly prompt action on tax simplification seems a sure bet, however. When the President's angry message—which among other things berated Congress for complications in present tax law—reached Capitol Hill, the House Ways & Means Committee already was working on a simplification bill. After the veto battle, Chairman Robert L. Doughton announced that he hoped to bring in a bill within two weeks.

Although Congress and the White House agree on the general objective, the simplification bill isn't going to be a love feast. Ways & Means wants to eliminate returns for the 30,000,000 or so taxpayers in the lower brackets, but it intends to maintain the present tax load. The Treasury, with the support of the President, wants to make simplification the occasion for dropping the 9,000,000 taxpayers at the bottom of the scale, redistributing their load over the other brackets.



## DOWN BUT NOT OUT

It's usually curtains for pilot or plane when a flying boat comes down on dry land. But a recent landing by a 24-ton Martin PBM-3 patrol bomber (above) proves the exception. Com-

ing in from a night operational flight, the Navy pilot "felt" his way down through zero visibility onto what he thought was a river channel. His surprise, at winding up on the beach, however, was no greater than that of the mechanics who found no damage.

## Pipeline Debated

Oil men are taking sides over wisdom of the government's participation in development of the Persian Gulf field.

Sharper and sharper grows the division within the oil industry over the propriety and wisdom of government participation in foreign oil developments as the long-range implications of that 1,200-mile pipeline to be built by the Petroleum Reserves Corp. across Saudi Arabia (BW—Feb. 12'44, p108), become increasingly clear.

• **Fears Are Voiced**—Many of the smaller interests fear that they will be swallowed up in an international oil pool resulting from the federal assistance given to the Texas Co., Standard of California, and the Gulf Oil Co. in the exploitation of the rich Persian Gulf oil fields.

This is a possibility to be reckoned with, although some observers claim that public opinion in the United States would not countenance American participation in any sort of international big business-government cartel.

• **Final Arrangements Pending**—Meanwhile, although outlines of the project have been approved by responsible officials of the Army, Navy, State Dept., and Foreign Economic Administration, final arrangements have not been completed.

One important detail is to get permission from foreign governments to cross Palestine or Syria and set up a

delivery base for tankers on the Mediterranean. Then there are supply and delivery problems—and the engineering and construction job is estimated to require about two years.

• **To Cost \$160,000,000**—These arrangements are expected to go through, and when they do, Uncle Sam will have an important stake in the international oil game. The pipeline will cost an estimated \$160,000,000. On top of that, the project implies construction of important bases to utilize and protect the new oil supply line, perhaps all the way around the world.

Beyond the government's extraordinary wartime powers, under which the project was launched, Uncle Sam will have a banker's interest in the pipeline that would amount to control of the domestic industry, if exercised to the limit.

• **They're Taking Sides**—How the government will play its part in the international oil game, during the war and later, and whether the result will be some kind of international agreement, pool, or cartel, are questions that hit the oil men.

Almost to a man, they are taking sides in a bitter controversy over the long-term wisdom of the Arabian pipeline.

In return for financing this project, the government gets a 50-year option on 30,000,000 bbl. of oil a year at 25% below the market price.

• **For the Peace Table**—The final pattern probably cannot be determined until general questions of "collective security," a term the government used in announcing the project, are threshed out at a peace table. However, the pres-







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down Sheet & Tube Co.; R. Conrad Cooper, assistant vice-president, Wheeling Steel Corp.; J. M. Larkin, vice-president, Bethlehem Steel Co.; Lauson Stone, president, Follansbee Steel Corp. Acting as public relations counsel is the M. K. Mellott Co. of Pittsburgh.

• **May Be a Field Day**—The NWLB hearing is expected to be a field day for statisticians, as C.I.O. economists for months have been compiling cost-of-living data from families of 1,500 steel workers. Specialists from the Bureau of Labor Statistics undoubtedly will testify in defense of their contention that the cost of living has increased about 23.4% since Jan. 1, 1941. Labor claims the increase is nearly twice that amount. The Little Steel formula confines wage increases to 15% above the Jan. 1, 1941, level.

• **What They Claim**—Figures of steel companies showing that their employees' take-home wages have risen 55% since 1941 will be paralleled by claims of the union that as the 40-hour week returns with peace and overtime payments are wiped out, the pay envelop will shrink by nearly 25% in the face of higher living costs. More statistics will be produced by the union to prove that labor's increased productivity justifies higher hourly wage rates.

## Utility Is Seized

Los Angeles take-over may lead to setting a nation-wide pattern for federal procedure in walkouts of municipal workers.

Management executives will be interested chiefly in two phases of the Army's take-over—and quick return—of the Los Angeles Dept. of Water & Power last week. There have been strikes in other U. S. cities involving municipal services, but this was the first seizure of a municipal utility by the government since this war started.

• **Procedure Studied**—The two chief items of interest:

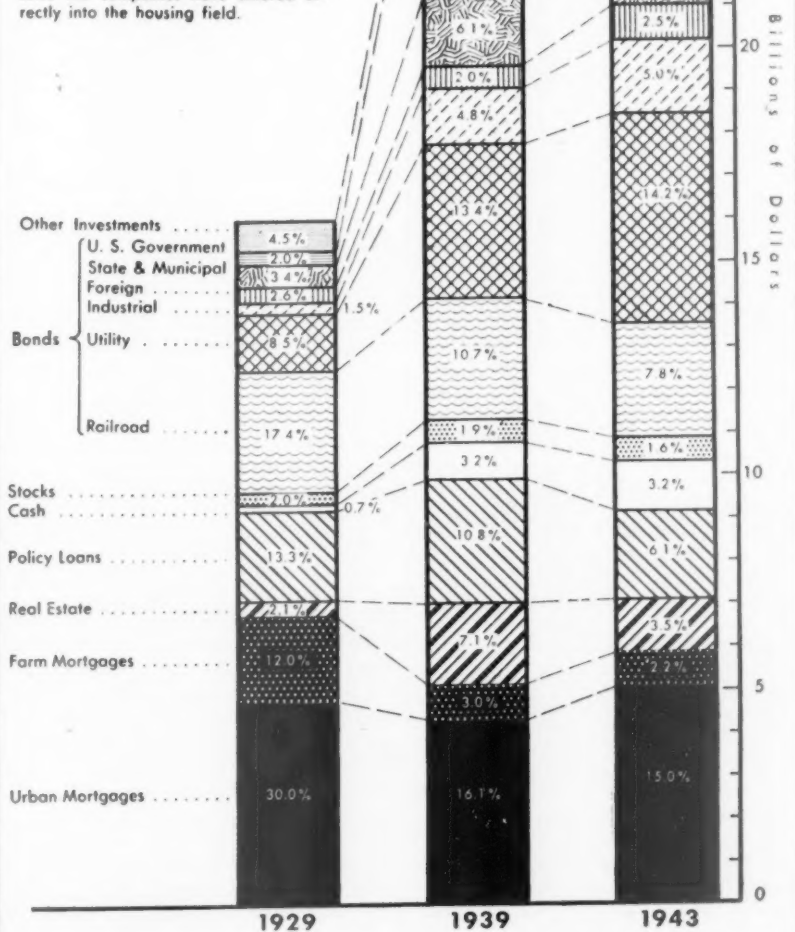
(1) The procedure by which the government is expected to attempt to settle the wage dispute between the city and employees of the municipal department should set a precedent for cases of this kind. At present there is no government agency empowered to handle such disputes.

(2) The episode furnishes the first example of how the Army functions in taking over and running an electric power operation.

• **No Serious Stoppage**—Despite the national publicity as to the effect of the strike on war production, actually there

## WHERE LIFE COMPANIES INVEST

Combined data for 49 of the largest companies show how trends that operated on their investments in the 'thirties have accelerated in the war. For want of sufficient other investments on which a higher return can be made, life companies have put more and more of their money to work in governments—which have risen from only 2% of the total investments in 1929 to a full one-third of the expanded total today, or \$11,500,000,000. Of course, cooperation with government financing drives has also played a part in the war. Growth of assets has speeded up, too; the four-year gain of more than \$7,500,000,000 amounts to 70% of the increase recorded in the whole preceding decade. Only a little more than a billion of this has gone into other investments than governments. Expansion into utility and industrial bonds has continued at the expense of railroad and state and municipal bonds. But other direct results of the war—this time in contrast to the 'thirties—are the reduction in real estate holdings effected by the companies and the contraction in policy loans carried out by borrowers. Wartime "prosperity" accounts for both. Farm mortgages have been further cut down, but urban mortgages have risen slightly, since life companies have entered directly into the housing field.



Data: Association of Life Insurance Presidents

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## CURB SERVICE

To avoid classification as a critical labor shortage area, with a resultant loss of new war contracts, Chicago took drastic—though unsuccessful—measures, literally pulling men off the streets. Seeking a new labor source, the U. S. Employment Service found recruits among transient guests of

West Madison St. flophouses, picking up an average of 950 a month. They work at food processing plants, warehouses, and at clearing snow, get paid off every night, but few stay more than three or four days. And Chicago employers discovered it pays to send their trucks every morning to pick them up (above). Too many, merely given carfare by USES, go astray.

was no serious stoppage of work in the major war plants of the Los Angeles area.

While some 160 factories were closed down for periods ranging from a few hours to a couple of days due to absence of electric power, practically all of them were small subcontracting plants.

This was because the big war plants, such as aircraft factories and shipyards, are outside the city limits and are served not by the municipal utility, but by the Southern California Edison Co. • **Storm Brought Crisis**—The emergency, which brought President Roosevelt's order Feb. 23 to Secretary of War Henry L. Stimson to take over and operate the strike-crippled utility, was caused largely by the severe wind and rain storm which hit Los Angeles Feb. 19 and caused extensive damage to power lines.

The walkout of employees (members of and sympathizers with the International Brotherhood of Electrical Workers, A.F.L.), which began Feb. 14, had reached such proportions when the storm struck that repair crews were not available to restore broken power lines,

and tens of thousands of homes were left in darkness.

It was then that Mayor Fletcher Bowron officially asked the Army to take control of the municipal utility.

• **Service Restored**—Service was restored to the 160 plants (and some 125,000 homes and retail establishments) by Feb. 26, three days after the Army had taken control and the men had returned to work.

A group of Army officers, under direction of Col. Rufus W. Putnam, Army district engineer in Los Angeles, was in charge of the utility with H. A. Van Norman, general manager, remaining as operating head.

One of the toughest problems for the Army to solve is how to settle the wage dispute between the Board of Water & Power Commissioners, which runs the utility for the city, and the I.B.E.W.

• **Army's Program**—Last week end Brig. Gen. Theron D. Weaver arrived in Los Angeles to assist in "efforts to effect a management-striker setup that will enable the Army to relinquish control."

By midweek, on orders from Secretary of War Henry L. Stimson, the Army re-

linquished control, despite the fact that no final settlement of the employees' wage demands had been reached. Despite professed policy to the contrary, it was apparent that the Army was essaying the role of mediator in a series of informal conferences with various employee groups; neither the commission nor the union was formally represented in these discussions.

• **Issues at Stake**—At the time of the return of the utility to the local management, no agreement between the union and commission had been achieved, but obviously some progress had been made.

Essence of the dispute is the demand of the I.B.E.W., made several months ago, for an 8% wage increase, effective Sept. 1, 1943, or a raise of \$15 a month effective immediately. In either case, the increase would apply to all employees whose present salary is not over \$350 a month.

• **Compromise Offered**—The reply of the commissioner was a \$5 increase, effective Feb. 15, plus the promise that further wage adjustments would be made at the beginning of the new fiscal year (July 1) if a survey of wages in Los Angeles County, now in progress, showed they were justified.

• **Political Hand Seen**—The water and power board has been a vortex of political animosity since Mayor Bowron took office in 1939. With the elimination of his political opponents from the board, the mayor assumed control; the shakeup, which included dismissal of a chief engineer, who had reputedly encouraged unionization, opened the door to I.B.E.W. organizers. In some quarters, political bitterness is blamed for the strike.

## ALIEN LAND BAN ASKED

Coloradoans may vote next fall on a proposal to amend their constitution to permit the legislature to prohibit aliens from owning Colorado land—a proposal aimed directly at Japanese.

The Assembly recently refused to place the amendment on the ballot, in spite of a bitter popular campaign against Japanese settling in Colorado from West Coast points. Both houses cast a majority in favor of the amendment, but the Senate failed to give the necessary two-thirds majority. About 27,000 names are necessary to put the proposal on the ballot by petition, and circulators say they will be obtained easily.

Colorado now has about 7,500 residents of Japanese blood, against 2,500 before Pearl Harbor. About 25% of them are aliens. A survey showed that in one rural county, 23 farms had been bought in two years by persons of Japanese ancestry.

"Unforeseen events . . . need not change and shape the course of man's affairs"



## SO YOU CAN SLEEP

BEHIND this lighted window is a man with a bulky brief case. A man who night after night ignores the clock and his own weariness.

His is hardly a spectacular task in these spectacular times. Yet it's a vital task . . . vital to his fellow Americans. For he's an insurance man—short of help and short of time . . . but determined to fulfill his trust. And he's doing it so that others may sleep with peace of mind.

And thousands of other insurance people are

doing their war jobs well, too—in the uniform of the Army, the Navy, the Marines, the Coast Guard—in the overalls of the war worker—and in many other activities on the home front.

Whether they are protecting their policyholders, fighting at the front, or giving to the war effort at home, their job is still insuring . . . insuring the precious right of every American to work and live and sleep in peace. Maryland Casualty Company, Baltimore, Maryland.

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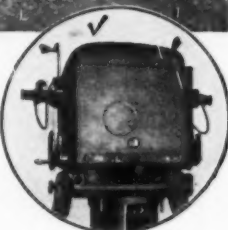


# NEW antiaircraft gun director relies on the *Graham* VARIABLE SPEED DRIVE



INTERNATIONAL NEWS PHOTO

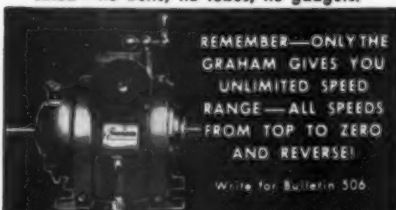
**M9 GUN DIRECTOR**  
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## Up to Gardeners

Government is counting on civilians for more home-canned food, as Army requirements for 1944 are stepped up sharply.

The man with a two-by-four back-yard garden will do well to make the most of it this summer. With the bulk of the armed forces scheduled to be overseas, instead of in the U.S., 1944 government requirements for canned fruits and vegetables have been stepped up sharply (BW—Feb. 26 '44, p. 70). Government experts are counting on civilians to augment their reduced commercial supply with even more home-processed food than they put up last year.

• **Gathering Dust**—In spite of the scheduled boost in government takings, canners, who gathered in Chicago for their annual convention recently, agitated for a ration holiday on canned vegetables. Heavy home-processed inventories of the major vegetables (corn, peas, beans, tomatoes) have slowed the movement of the commercial pack. Lower grades, particularly, have gathered dust on dealers' shelves.

Canners probably won't get their ration holiday (though they did get this week temporary reductions in point values), and they aren't so anxious for it now. Many of them went to Chicago with a bad case of "peace jitters." Most canners came away convinced by government officials that they won't have any trouble disposing of the '44 pack.

• **Victory for Canners**—As a tangible incentive to maximum production, the War Food Administration has agreed to take any surplus off the canners' hands at 90% of OPA ceiling prices. This is in addition to a continuation of the support price program for growers who supply canners.

The biggest victory for the canners, however, was OPA's announcement that the 1944 pack (with the exception of citrus fruits) will be formula priced. Formula versus flat pricing is a controversy that has raged within OPA since the earliest days of price fixing (BW—Oct. 30 '43, p. 86).

Formula pricing has finally won out. Instead of being told by OPA what they can charge for a given commodity line of a given size and grade, canners will be allowed to take their individual 1941 selling prices and add amounts, figured by OPA, to cover increased costs of labor and materials to arrive at 1944 prices.

• **Ribbon Theory**—One of the chief drawbacks to formula pricing has been that canners with excessively high 1941 prices (and profits) would fare a great

deal better than their competitors.

To get around this, OPA has adopted what is called the "ribbon theory" of formula pricing, under which OPA will establish a range of prices for each commodity which will cover, roughly, the prices that can be charged—according to formula—by the middle two-thirds of the canners. Canners whose prices (reflecting a high '41 price) are above the top of this range will be pulled down to the top. Those whose prices are below the bottom of the range will be pulled up.

• **A Closed Subject?**—Government (Agricultural Marketing Administration) grades will be used in determining OPA's price range. But canners chalked up another victory when OPA's food price chief, Jean F. Carroll, promised: "We will not reopen the subject of grade labeling, and it is not in the back of the minds of any OPA official that grade labeling is part of this operation."

OPA has dropped all idea of requiring grade labels on cans. Canners probably will be required to show grades on invoices, but they will be given their choice of using AMA or commercial grades.

This will be a disappointment to consumer groups—firm advocates of grade labeling and flat pricing. They have accepted with reservations the ribbon theory as better than straight formula pricing.

• **No Illusions**—Consumer groups have no illusions that OPA will be able to enforce formula prices which fall below the top of the range, hence want to squeeze the top price—the only one they think can be enforced—down as low as possible.

Determination of actual prices awaits OPA's completion of an elaborate cost-price-profit study of the canning industry. OPA already has a profit study on canners. But this has been tossed out as "unrepresentative and incomplete," and a new study is in the works.

• **Up to the Weather**—Assured that the government will treat them better this year than last, canners are left to pray for good weather. Only a bumper crop will keep civilians from faring a good deal worse this year than they did last.

Assuming that the 1944 pack is equivalent to an average of the 1942-1943 packs, civilians will get about 17,000,000 cases of canned fruits and fruit juices this year, slightly more than half of what they got in 1943. They will get around 104,000,000 cases of canned vegetables and vegetable juices—25,000,000 cases less than from the last pack.

• **Get What's Left**—The government take of the 1944 pack is calculated as a percentage of the 1942-1943 pack average. Civilians get what's left. Thus, if the 1944 pack is a record-breaker, civilians will get more.





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## Tempest in a Tub

Many family laundries misinterpret tentative proposals on service standards as an order adding to wartime burdens.

It's too late now, but someone should have warned the Office of Civilian Requirements that the laundry industry isn't in the mood right now to discuss a set of proposed regulations pertaining to laundry service which go beyond those of OPA and Office of Defense Transportation.

• **Wrong Conclusion**—Perhaps OCR's phrasing was ill-advised in its "Proposed Minimum Service Standards for Commercial Laundries," which was distributed recently to a cross-section of the trade for comment.

Or perhaps the recipients didn't read the document carefully, and jumped to the conclusion that here was a new government regulation which specifically described the types of laundry services they must furnish even though they had never before offered certain of the services.

• **What Was Intended**—What OCR intended to say was that the laundry industry, within a sizable community, should be able to provide three basic family services—wet wash, semifinish, and rough dry, returning the bundles within seven days. Also to provide these commercial laundry services: flatwork, sanitary work clothing (ironed), and industrial clothing and wiping cloths (rough dry). Since the list of standards was prefaced by the phrase: "Commercial power laundries must be able to provide—" many an operator of a family laundry was ready to call his lawyer.

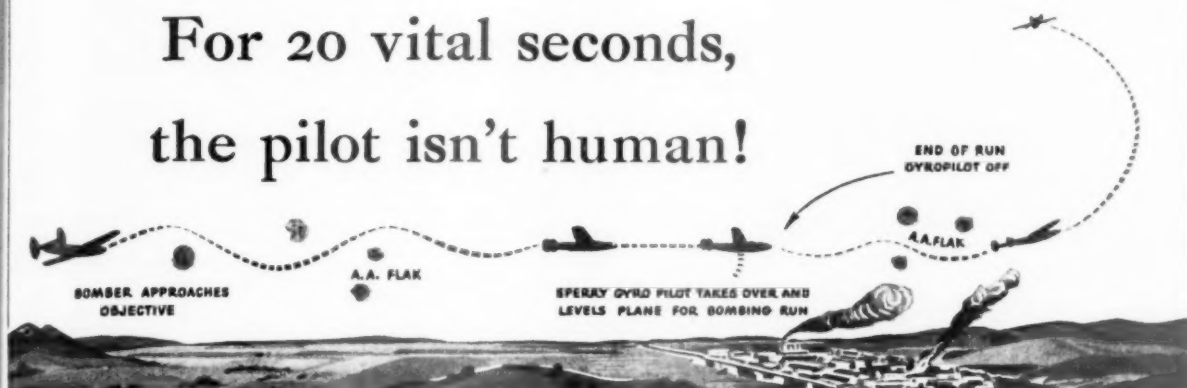
• **Only a Guide**—There is a probability that minimum service standards will be adopted not only for laundries, but for linen suppliers and dry cleaners as well.

The chances are, however, that the public will never learn of them. The actual purpose of the standards is to serve as a guide to OCR field men who could, if they found laundry service in a community to be below minimum standards, declare that an emergency exists, and possibly talk WPB out of additional laundry machinery if it is needed, or persuade the National War Labor Board and OPA to approve an increased wage and price schedule.

• **Labor Still Short**—Still at or near the bottom of national wage schedules, many laundries report that their chief problem—manpower—is more acute than ever.

A large 1943 crop of part-time work-

# For 20 vital seconds, the pilot isn't human!



**T**HREE HOURS after leaving its base, an American bomber approaches its target. And now come the breathless 20 seconds that determine the success or failure of the bomber's mission.



During the vital 20 seconds of the final bombing run, the pilot's hands are not on the controls.

**20 SECONDS!** This is the time it takes for the bomber to make its run and drop its bombs.

**20 SECONDS!** To make these seconds count, the bomber crew was trained two years. For these, they have fought through swarms of enemy fighters and dodged through clouds of flak.

And now . . . unless the plane is held exactly on the course that the bombardier directs . . . the bombs will miss, and all the hours of the flight will be wasted.

During these 20 seconds, the pilot of this bomber isn't human. It's a machine—the Sperry Electronic Gyropilot. American fliers have nicknamed it Elmer. The British call it George.

The Sperry Gyropilot holds the bomber

on its bombing run with nerveless precision. Its errorless control is one of the big reasons for the accuracy of American high-level precision bombing.

Surprisingly enough, this amazing device is not new. Sperry invented and built a workable Gyropilot before the first World War. In 1933, Wiley Post flew around the world alone with the aid of a Sperry Gyropilot.

Soon after that, Sperry Gyropilots became standard equipment on American transport planes. When the present war came, the device was quickly adapted to give it the precision needed for bombing work.

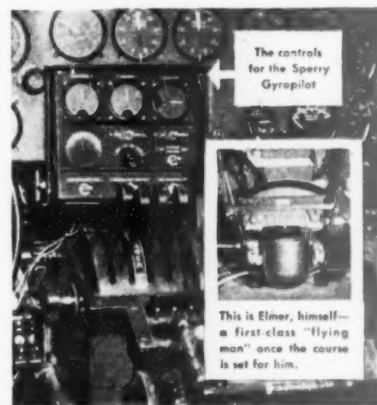
Today, the job of sending the Gyropilot off to war is too big for any one company. So, in addition to Sperry, A.C. Sparkplug Division of General Motors is turning out large quantities, and other types of Sperry Gyropilots are being made by Electric Auto-Lite Co. and Eversharp, Inc.



*Birth of the Gyropilot. The late Lawrence Sperry and his mechanic leave the controls, while the great-great-grandfather of all Gyropilots holds the plane level on its course. (France, 1914.)*

The Gyropilot is but one of several

hundred precision devices, for war and peace, developed and manufactured by the three Sperry companies. Solving difficult technical problems through research, invention, and precision engineering is Sperry's business, and we work at it constantly.



Section of the instrument panel on a Consolidated Liberator B-24, showing the controls for the Sperry Gyropilot. Once set on a course, nothing less than sheer destruction can affect its efficiency.

When the war is over, the Gyropilot, along with many other products of Sperry, will return to peacetime work.

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ers, recruited from the ranks of patriotic housewives, is rapidly disappearing as many of them discover they can help the war effort by taking 70¢-an-hour jobs at nearby war plants as well as by ironing shirts and slacks at 40¢ an hour.

● **The Supply Problem**—Laundry supply dealers admit that for their large and established accounts the supply situation has never been too critical. Heavy inventories have carried many a big operator through the tight spots. The little fellow, however, has been caught short on about every item from alkalis to zinc marking tags.

One of the tightest supply situations has involved cotton net bags, without which most family wash laundries cannot operate. Last fall the Army took over the entire output of cotton netting of several mills, for use in camouflage. Now the military requirements seem to have been met, and back orders for nets are beginning to be shipped to laundries.

● **New Diaper Crisis**—Where the supply situation really hurts is in the dry cleaning and linen supply trades.

The former, already hard hit by the complete lack of supplies of wire coat hangers, has just learned that because of the national paper shortage, the one-trip paperboard hanger probably is on its way out.

The plight of the linen suppliers is a combination of manpower and supply

shortage. During the past six months most suppliers of towels, industrial clothing, and diapers have seen their inventory stocks dwindle until their storerooms are bare.

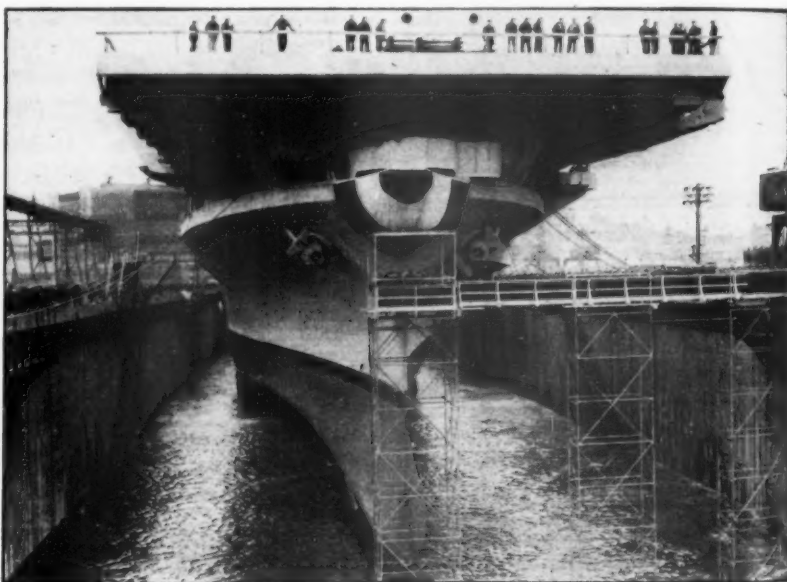
A spokesman for the Linen Supply Assn. of America predicts that many hospitals, hotels, factories, and restaurants will, by the end of 1944, be unable to get supplies of clean linens unless allocations of textiles are modified.

An acute shortage in birdseye diaper cloth has been traced to the action of one large mill which is said to be refusing deliveries until OPA allows a better selling price. The waiting list of diaper supply firms meanwhile grows longer and longer.

## Hearing Aid War

Producers of high-priced devices for the hard-of-hearing launch a counterattack against Zenith's \$40 competition.

Something of the excitement which Henry Ford's first low-priced car brought to the automobile industry is being repeated on a smaller scale by Zenith Radio Corp.'s new hearing aid (BW—Oct. 9 '43, p. 68). Other types of hearing aids retail for up to \$200.



### DRYDOCK LAUNCHING

Simple and unusual among launching techniques is the method used to float the newest American aircraft carrier at Brooklyn Navy Yard. Built on keel blocks instead of the conventional

ship ways, the 27,100-ton carrier Bennington was launched merely by flooding its drydock (above). This procedure is less spectacular than the usual launching, but it permits flotation tests and repairs to hull leaks before the ship goes to final outfitting docks.

## SHE HAS THE VOICE WITH A SMILE, TOO

•

*She's your personal representative at the telephone  
company—the girl in the Business Office*

ANY TIME you'd like to know anything about service, or equipment, or bills, or war-time telephone regulations, she's there to help.

Sometimes, because of the war, she cannot give you the exact type of equipment or service you want—or just when you want it.

But you can be sure of this:

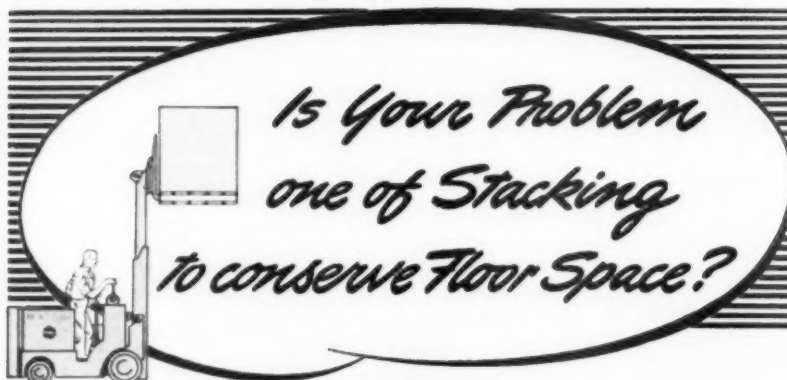
She will do her very best at all times and do it promptly, efficiently and courteously

BELL TELEPHONE SYSTEM



When you are calling over war-busy Long Distance wires, the operator may ask you to "please limit your call to 5 minutes." That's to help more calls get through during rush periods.





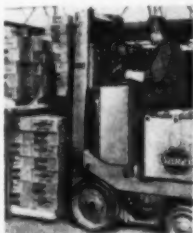
## Is Your Problem one of Stacking to conserve Floor Space?

Hundreds of plants and warehouses have solved this and other material handling problems with Baker Trucks. So that you may profit from their experiences, a large part of our new catalog has been given over to actual installation stories. A few cases in point are listed below:

A leading industrial engineer was given the job of designing a large model warehouse for the world's largest paint manufacturer. Baker Trucks and Tractors were specified to bring about top efficiency in the sorting, storing and shipping of the more than 10,000 items handled in this warehouse. Illustration shows one of their fork trucks stacking pallet loads of drums three-high.



One of the problems confronting the planners of this warehouse was to find a way of getting at "buried" loads with a minimum of time and effort. This was solved by steel racks—permitting the fork truck to remove the lower pallet without disturbing cartons above.



A large west-coast processing plant saves thousands of dollars annually through the use of telescoping lift trucks. The Baker Fork Truck illustrated is tiering heavy pallet loads three- and four-high to conserve warehouse space.



In paper mills, print and publishing shops, Baker Trucks have more than doubled the value of warehouse space by permitting stacking to the ceiling. Reductions up to 80% in handling costs are reported. One publisher paid for his truck in 18 months' rental savings alone.



A Baker Material Handling Engineer was called in to make a survey of a large food warehouse. Upon his recommendations, a fork truck plus a conveyor system was installed. Operating costs were reduced from 6.68¢ to 4.98¢ per ton, a saving of 25.4%. Gross savings amounted to \$153 per week or \$7956 per year.



The problem of stacking steel sheets has been successfully met in steel mills and metal working plants through the use of heavy duty fork trucks, handling sheets on pallets—or equipped with rams for handling heavy rolls. A special roll-over attachment tiers rolls either vertically or horizontally.



### WRITE FOR YOUR COPY

Plant and production managers, traffic managers, superintendents, purchasing agents and any others concerned with material handling will find the new Baker Catalog No. 52 a valuable reference.

## BAKER INDUSTRIAL TRUCK DIVISION of The Baker-Raulang Company

2164 WEST 25th STREET • CLEVELAND, OHIO

In Canada: Railway and Power Engineering Corporation, Ltd.

# Baker INDUSTRIAL TRUCKS

Zenith's price is \$40. The flurry came by this whopping price chop came at a time when people with impaired hearing are being encouraged to buy aids as a qualification for war jobs. The Zenith set is a pet project of Com. E. J. McDonald, Jr., president of the company, who suffers from deafness in one ear.

• **Ready-Made Ear Pieces**—To match a revolution in pricing, Zenith opened new outlets. It sells through optical stores while the other types are sold by special agencies, many of which do nothing else. In these agencies, prospects for higher-priced aids have made of their cars so that a special terminal can be made to fit.

Zenith furnishes each buyer ready-made ear pieces from which he selects the one that is most comfortable. Other manufacturers protest that Zenith cannot give the fit or service that makes their high prices necessary; they estimate that Zenith is letting its war production absorb some of its promotional costs.

• **552 New Outlets**—Zenith retorts that it is doing fine by overcoming the four handicaps under which the opposition struggles: low volume, lack of engineering know-how, too wide profit margin, high sales cost.

Since last October, when Zenith first offered its hearing aid, 552 outlets had been opened as of Feb. 19. Some stores report sales of 40 to 50 units daily.

Zenith's December production was said to have been at the rate of 7,000 monthly. Expectation is 20,000 monthly by spring. The War Production Board allows materials for hearing aids for both humane and manpower reasons. In view of usually tight allocations of materials, competitors look upon the size of Zenith's production with amazement.

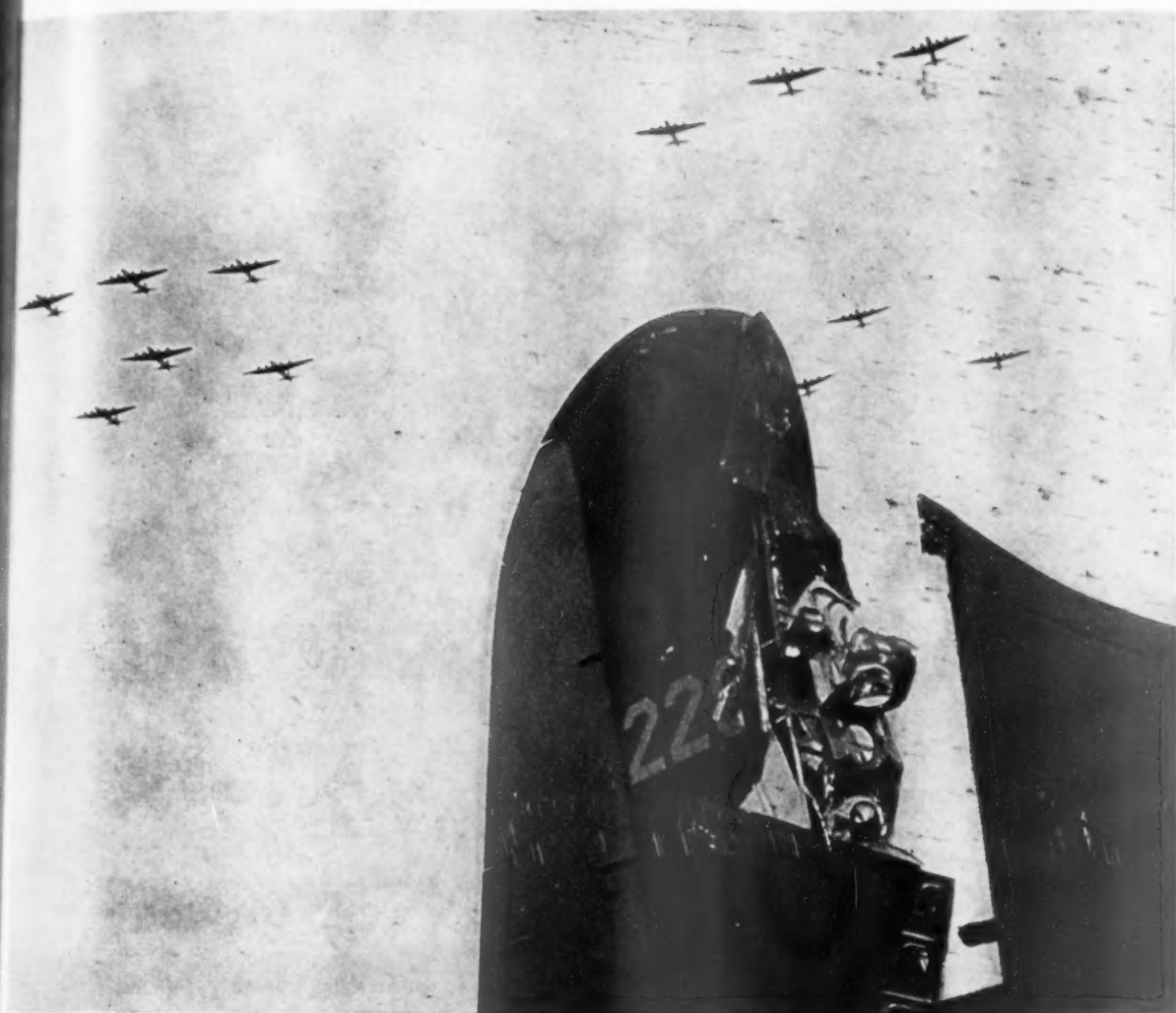
• **Competitors Counterattack**—Zenith's entrenched opposition is counterattacking with vigor. In addition to the claims that Zenith cannot equal their products in fit, delicacy of adjustment to tone, or service, the competitors have struck back with lowered prices. Several new aids in the \$40 to \$50 brackets have been announced.

Opticians, who are pleased with results of Zenith sales, charge that other low-priced aids are being used principally to entice prospects to the competing agencies who then try to sell the high-price sets.

In support of this, they quote an opposition sales bulletin which tells the dealer he "can afford to sell some hearing aids at \$40 to \$50 provided a good share of your prospects are stepped up to the \$80 to \$100 level."

• **2,000,000 a Year**—In his introductory message to optical dealers, McDonald





Finish the Fight with War Bonds

## "How can they come back?"

"It was a miracle the ship didn't break in two up there," said an Army Air Force Sergeant, holder of the Congressional Medal of Honor for his part in bringing home a badly crippled Boeing Flying Fortress. "I'd like to shake hands personally with the people who built it."

MANY Fortress crews echo that sentiment. They have seen planes limp in with three out of four engines dead, wings and tails riddled like saltcellars, or with shell holes as large as wash tubs. How can they do it?

1. Fortress wings are built with substantial, truss-type spars, covered with a double skin of tough metal. This tends

to keep gunfire damage local, rather than basically affecting wing strength.

2. Boeing engineers have always insisted on alternate methods of control. And even if battle damage prevents use of all other control methods, the automatic pilot can be used for near-normal maneuverability.

3. Virtually all mechanisms are electrically operated. Damage to one circuit will not affect others, and dispersal of these circuits reduces vulnerability.

4. The "dorsal fin," as developed by Boeing, gives the Flying Fortress inherent stability. With the vertical or horizontal tail surfaces partially destroyed

in battle, or with one or more engines shot away, a Fortress can still be flown successfully because of its tail design.

5. But one of the most important reasons why the Forts fight off enemy opposition, hit their targets and "come back" is the confidence, based on the record, which causes many a Fortress crew to stay with the ship long past normal bail-out time, knowing that somehow it WILL bring them safely home.

Boeing integrity in research, design, engineering and manufacturing will again be a part of peacetime products when the war is won. When that day comes, you can be assured . . . if it's "Built by Boeing" it's bound to be good.

★ The EXACT photo-copying process that speeds the reproduction of drawings, isometrics, engineering data, specifications, shop instructions.



No Copying Job  
Too Large

FOR THE

## HUNTER Electro-Copyst

The regular Electro-Copyst models can take care of all ordinary print requirements. But if you have out-size drawings, you'll be glad to know that Hunter has special models to handle them efficiently. Some Electro-Copyst units, developed for aviation companies, can take originals 48" x 168".

In minutes, your office boy can make copies of anything drawn, printed or written, that may formerly have required hours. No need for painstaking hand-tracing, or time-consuming checking and proof-reading. With the Electro-Copyst, perfect reproduction becomes routine.

If reconversion problems are now on your drawing board, let the Electro-Copyst help you make short work of the large prints of floor plans, machinery locations, wiring layouts, etc. One nationally known plant, using an Electro-Copyst exclusively for this purpose, saved its purchase price in three months.



Our new  
Illustrated  
Booklet

contains many ideas for shortcuts in engineering reproductions. Send today for your copy.

HUNTER Electro-COPYIST, Inc.

107 E. Fayette St.

Syracuse 2, N. Y.

foresaw a possible annual production of 2,000,000 hearing aids, suggesting a "brand new \$80,000,000 business" for opticians. This was predicated on an estimate by Dr. Morris Fishbein of the American Medical Assn. that there were 10,000,000 Americans with impaired hearing. (Dr. Fishbein has since cut his figure to 6,000,000.)

Added to this is the possibility that many ear drums will be injured by the vibrations of war. The Veterans Bureau reports that for the last war injuries compensation was paid for 416 totally deaf and 12,397 partly deaf. This does not make for a great addition to demand, but the current struggle differs from its predecessor in several respects. One guess is that 250,000 service men will come out of the war with impaired hearing. Already government hospitals have been designated for the treatment of such cases.

● **Crowded Field**—Even if the figures turn out to be accurate and the foreign demand is added, chances are that the field will grow too crowded if others follow the Zenith invasion. Should the going get disagreeable, Western Electric might withdraw from the manufacture of hearing aids. During normal times, the company has its hands full supplying equipment to its owner, the Bell Telephone System.

The possibility of this is ironic. Alexander Graham Bell's invention of the telephone was the unexpected result of sound experiments designed to relieve the partial deafness of his wife. Bell Telephone laboratories have led experiments in the field ever since.

● **35 to 40 Manufacturers**—There are between 35 and 40 companies manufacturing hearing aids. Nineteen of them (not including Zenith) make up the

American Hearing Aid Assn., Washington, D. C. This group formerly claimed 95% of production which totaled 12,000 annually (or just half the output that Zenith is shooting at).

Besides Western Electric's Acoustiphone, leaders include Acousticon (made by Dictograph) and Sonotone (made by Sonotone Corp.). In many cases, it is the smaller manufacturer who has been frightened by Zenith's competition and has cut prices or hurried cheaper models on the market.

Hearing aids divide into carbon and vacuum tube types. In the former, amplification of sound vibrations was on the principle of the telephone; in the latter, on the radio receiver principle using electronic tubes. The latter type is more expensive.

Zenith's model uses tubes. Tighter item involved in manufacture is batteries—which have become even more so since Zenith introduced its mass production ideas into the hearing-aid picture.

## NEW AIR ROUTE OPENS

Kansas City and Denver were directly connected by air over a regularly scheduled route for the first time Mar. 1, when Continental Air Lines of Denver began two round trips daily, with a 14-passenger Lockheed Lodestar allocated by the Army.

The allocation has at last enabled Continental to activate the permanent route granted last May by the Civil Aeronautics Board (BW—Jun. 12 '43, p. 20).

The eastbound flight takes 3½ hours, starting from Denver at 7 a.m. and 4 p.m. daily. Return flights leave Kansas City for Denver at 12:05 and 9:45 p.m. daily.

## THEY ALSO SERVE

Set up 50 years ago to serve manufacturers, the Underwriters' Laboratories in Chicago focuses now primarily on war work. Its technicians have measured the fire-explosion hazards of synthetic rubber manufacture, tested flammability of camouflage material, and the fire retardant value of flame-proofed wood for ships and barracks. But one never-ending chore is the examination of fire hose bearing the UL label. Despite WPB's reduction of the crude rubber content in Victory fire hose, UL technicians found the hose (2½ in.) can stand up to 850-lb. pressure (right), gave it a normal rating of 600 lb. (BW—Jun. 20 '42, p. 59).



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## *Machining Small Parts* IN THE WORLD'S LARGEST VALVE PLANT

**H**ERE is one department at the huge Chicago works of Crane Co. All of the lathes in these long rows are devoted to the single task of turning out the small parts necessary for the production of Crane Valves.

Step by step, discs, stems, glands, move down these production lines until, in a steady stream, they flow to the final inspection—ready for delivery to the assembly department.

With the unprecedented demands of war calling for more and more valves and fittings, Crane production has been stepped up to meet them. New equipment has been

installed—new production methods devised—new manufacturing techniques developed—to keep step with this vastly increased demand for high-quality materials so essential to Victory.

When the war is won, this greatly enlarged production capacity, plus the knowledge and skill developed in making quality valves and fittings in quantity, assures American industry of a reliable source for high quality piping to meet every peacetime requirement.

CRANE CO., 836 South Michigan Avenue,  
Chicago 5, Illinois

# CRANE

VALVES • FITTINGS • PIPE  
PLUMBING • HEATING • PUMPS





That was Goering's boast when Britain was blitzed. This picture shows how wrong he was. He's watching a workman dig an air raid shelter in Berlin.

**G**OERING has eaten his words . . . as massive flights of allied planes reduced German cities to piles of blackened ruins. As total victory comes nearer, American factories can convert some of their production to needed civilian goods. Many of these products will be made of iron and steel sheets—which have proved so economical, so adaptable to thousands of uses.

For more than forty years Armco has been developing *special purpose* sheet metals. One example is ARMCO Ingot Iron—the *original* enameling iron for refrigerators, ranges and other porcelain-finished products. Like all Armco sheet metals, ARMCO Ingot Iron is now serving in war equipment—one use

being in field ranges for the Army.

Sheet steel is not one but a large family of steels, each with distinct characteristics and advantages. We can help you select the one right grade for your purpose—whether you need great strength with light weight; special finishes or coatings; attractive appearance; exceptional fabricating qualities; or whatever else. Possibly, too, our knowledge of markets for sheet metal products can benefit your sales organization. Just let us know what you are making or planning to make. The American Rolling Mill Company, 901 Curtis St., Middletown, Ohio.



★ ★ ★  
HELP FINISH THE FIGHT—  
WITH WAR BONDS

**Special Purpose Steels FOR TOMORROW'S PRODUCTS**

## Ore Goal Set

Lake carriers are given task of hauling 90,000,000 tons of iron ore. Coal traffic regulations may be lifted.

Generally mild weather on the lower Great Lakes this winter, following last year's unusually short shipping season (BW—Dec. 11 '43, p. 20), gives lake carriers the basis of hope for an early opening of navigation.

A Coast-Guard ice survey indicates that the ore shipping season on the upper lakes may open earlier in 1944 than in any recent year.

• **Tentative Goal**—The carriers, collaborating with WPB and Office of Defense Transportation, have a tentative goal of 90,000,000 gross tons of iron ore.

Although last season's iron ore tonnage fell about 10,000,000 tons below preseason goals—thanks to ice conditions in the spring, prolonged dense fogs in early summer, and subzero temperatures in November in the upper lakes—1943 tonnages were second highest in lakes history.

• **Bright Outlook**—Given fair sailing weather, the lake carriers are equipped to exceed 1943 tonnages, perhaps knock down some of the all-time records established in the 1942 season. Bright spots in the outlook for 1944 include: 16 new 15,000-ton bulk carriers added to lakes fleets last year; unusually high water levels; revised shipping regulations which permit deep loading; the new Gen. MacArthur lock, completed last July which will help speed traffic through the Soo.

• **Tonnage for 1944**—By trade custom, Lake Carriers' Assn. always reports ore and limestone shipments in gross tons (2,240 lb.); grain and coal shipments in net tons (2,000 lb.).

Lake Carriers' Assn. final figures for 1943:

	Gross Tons
Iron ore.....	84,404,852
Limestone.....	15,481,852
	Net Tons
Grain.....	11,810,116
Bituminous coal.....	51,191,031
Anthracite.....	816,659

• **May Lift Restrictions**—WPB's Iron & Steel Transport Industry Advisory Committee, which recommended the 90,000,000-ton iron ore goal for 1944, also recommended that all restrictions on lake coal movements be lifted. Last summer, to speed up ore and grain deliveries, ODT placed restrictions on coal to the Chicago, Detroit, and eastern Lake Erie areas.

• **Labor on Ships**—Industry and government representatives, including ODT

and War Manpower Commission officials, have agreed tentatively to a program of employment controls; hiring from age groups not immediately liable to the draft; and deferment of officers and skilled men through action by the regional WMC offices.

## Grants Near Billion

For half a century, states have cashed in on federal aid. Now it costs the U. S. more than \$700,000,000 a year.

In 1857, Rep. Justin S. Morrill of Vermont introduced a bill for federal land grants to states to establish colleges of agricultural and mechanical arts. The bill was fought so hard—particularly by southern congressmen who felt it meant federal usurpation of states' rights—that not until 1862, after secession, did it become law. And not until 1890 did the U. S. grant cash as well as land to land-grant colleges.

• **Cost 700 Millions**—From this tiny sprout has grown the huge and spreading tree that is the present federal land-grant system. This system costs the U. S. Treasury (as of 1942) more than \$700,000,000 a year, \$693,000,000 of it to stimulate state action, or regulate state conduct, in nearly 30 separate fields.

Included are such projects as marine schools in four states, wild life and forest conservation, agriculture, highways, public health, and the gigantic Social Security program, which alone accounts for almost \$500,000,000 a year. Required matching by states runs all the way from almost nothing to 100% of federal grants, but in all cases, the states must meet federal standards.

• **Exclusive of Direct Aid**—The figures do not include federal aid directly to the citizen (WPA, NYA, AAA); nor directly financed federal war activities in local communities, such as housing; nor a variety of fiscal arrangements such as the payments to western public lands states out of federal mineral royalties, to counties out of national forest revenue, etc. With these added, the total would be well over \$3,100,000,000.

Thus grants-in-aid represent only a fraction of federal spending on citizens—but a very important fraction, because they are here to stay. Some have been temporarily suspended (such as national guard and federal-aid highway payments), but after the war probably will be bigger than ever.

• **Redistribution of Wealth**—The principle is theoretically to aid all citizens, through redistribution of wealth from

## "Now all we need is a Good Contract Manufacturer

**BUT WHERE'S ONE\* TODAY  
WITH THE CAPACITY AND  
KNOW-HOW FOR THIS JOB?"**



**IF** you're up against it for manufacturing capacity to produce a badly needed part, machine, or mechanism . . . then wrap up your headache and *Take It To Taft-Peirce*. Here, in the Contract Division, your production requirements will be filled promptly and economically . . . exactly according to your blueprints, specifications, or models . . . regardless of whether your order calls for a single piece or quantity lots.

For here, in this unique organization, you will find a collateral fund of experience in the manufacturing practices of your own industry . . . because there is no industry which has not brought its problems to Taft-Peirce. So there is no delay in getting down to brass tacks on any assignment.

Examples of work done, and of the men and machines which do it, are shown in an interesting picture-and-caption book which you may have for the asking. Simply write, on your letterhead, to *The Taft-Peirce Mfg. Co., Woonsocket, R. I.*, for a copy of the publication entitled:

## \*Take it to Taft-Peirce

THE TAFT-PEIRCE MFG. COMPANY

Manufacturers of Machine Tools  
Aircraft Service Equipment



WOONSOCKET, RHODE ISLAND

Small Tools • Gages • Reamers  
Magnetic Chucks, etc.

DESIGNERS AND CONTRACT MANUFACTURERS OF TOOLS AND SPECIAL MACHINES



**"In 1 day, that  
SIMONDS  
man saved us  
1¼ hours per cut  
and gave us  
50% more  
blade-life!"**

That's the report of a war-plant which took advantage of a current Simonds offer to send an engineer to survey cutting operations.

Here, the operation was power-hacksawing... in which a blade-test resulted as follows: First blade cut 3" deep in 10½" x 7½" steel stock, taking 1¼ hours, when blade dulled. Then a Simonds Red End Molybdenum Blade—correctly tensioned to the job by Simonds new method—finished an entire 7½" cut in 1 hour, 46 minutes. So why not have Simonds job-tensioned Red End Blades tried out on your own work by a Simonds engineer? Call your Supply Distributor, or write to:

**SIMONDS**  
SAW AND STEEL CO.  
FITCHBURG, MASS.

## Principal Federal Grants-in-Aid

Purpose	Year Instituted	Total Federal Grants (1942)
<b>Agriculture</b>		
Experiment stations .....	1887	\$4,500,000
Experimental stations, research .....	1935	2,245,000
Cooperative extension .....	1914	18,847,000
<b>Education</b>		
Land-grant colleges .....	1890	5,030,000
Vocational education .....	1917	20,463,000
Education of blind .....	1879	125,000
Vocational rehabilitation .....	1920	2,652,000
<b>Health Welfare</b>		
Public health work .....	1935	11,473,000
Venereal disease control .....	1918	7,645,000
Aid to crippled children .....	1935	3,999,000
Child welfare .....	1933	1,569,000
Maternal and child health .....	1935	5,940,000
Public housing subsidies .....	1937	9,926,000
<b>Social Security</b>		
Old-age assistance .....	1935	297,243,000
Aid to dependent children .....	1935	69,378,000
Aid to the blind .....	1935	7,947,000
Public employment offices .....	1933	1,591,000
Unemployment compensation, state administration .....	1935	72,443,000
<b>Highway</b>		
Federal aid system .....	1916	103,199,000
Feeder roads .....	1936	15,679,000
Grade crossing elimination .....	1936	25,762,000
Public land highways .....	1921	812,000
<b>Miscellaneous</b>		
Forest planting stock .....	1924	83,000
Forest fire cooperation .....	1911	2,182,000
Wildlife restoration .....	1937	1,425,000
Soldiers' and sailors' homes .....	1888	1,320,000
State marine schools .....	1911	193,000
<b>Total .....</b>		<b>\$693,851,000</b>
<b>Federal administration .....</b>		<b>11,862,271</b>
<b>Total Grants and Administration .....</b>		<b>\$705,713,271</b>

\* Adapted from tables prepared by the Citizens National Committee, 1409 L St., N.W., Washington, D. C.

the wealthier to the poorer communities, under rigid federal standards to see that the money is spent wisely.

The grant-in-aid-system compels 13 wealthier states—California, Connecticut, Delaware, District of Columbia, Illinois, Maryland, Massachusetts, Michigan, New Jersey, New York, Ohio, Pennsylvania, and Rhode Island—to carry the load, since they recover only about 63% of what they put in.

• **Politicians Curse 'Em**—Local politicians sometimes denounce the grants, and demand that their states be freed from federal supervision. No governor has, however, taken the initiative.

Why?

Colorado, a typical state, in 1942 spent \$71,737,676, of which \$15,887,431 (or about 22%) came from federal grants. Biggest grant was for old-age pensions—\$8,159,065 of total pensions of \$18,026,001. Would any state legislature cut old-age pensions by nearly 50%, or try to find new local tax sources to supply revenue to keep them high?

## ESCHEAT LAW SUSTAINED

In a unanimous decision, written by Chief Justice Harlan F. Stone, the United States Supreme Court this week upheld the constitutionality of the 1942 Kentucky law which requires local banks and trust companies to turn over to the state annually all bank deposits which have remained dormant and unclaimed for certain specified periods (ten years in the case of demand deposits and 25 years where savings accounts are concerned).

This law had previously been unsuccessfully attacked in the state courts on the grounds that such depositors were deprived of their property without due process of law. Also, it was claimed that the statute conflicted with the national banking law.

However, both contentions were rejected, in line with earlier Supreme Court rulings in similar cases concerning other states with older laws covering the same subject.



# WAR BUSINESS CHECKLIST

A digest of new federal regulations affecting priorities, price control, and transportation.

## Increased Civilian Supply

Approximately 500,000 enameled cold-storage canners—out of production since 1941—will be available to home canners as a result of Direction 1, WPB Limitation Order. . . . Packers may release over 3,500,000 lb. of dried apples and nearly 1,000,000 lb. of (Zante) currants, for sale to civilians through regular food channels, War Food Administration has announced.

## Relaxation of Priorities

WPB Direction 2, Conservation Order 19 permits users of copper raw materials to mine, without authorization from WPB, materials containing as much as 150 lb. of copper per calendar quarter for uses allowed under existing orders. . . . Restrictions on copper and copper-base alloys that limited the use of these metals in the manufacture of tube and tube sheets of steam condensers are lifted by WPB Schedule II under Order 154, as amended. . . . Preference ratings AAAA-4 are no longer required to procure capital clothing and women's work clothing (WPB Order M-317, as amended). . . . WPB will permit the use of orange shellacs with an OPA ceiling price of 45.1¢ per lb. or higher, for finishing floors and furniture; use of the shellacs for these purposes had previously been denied.

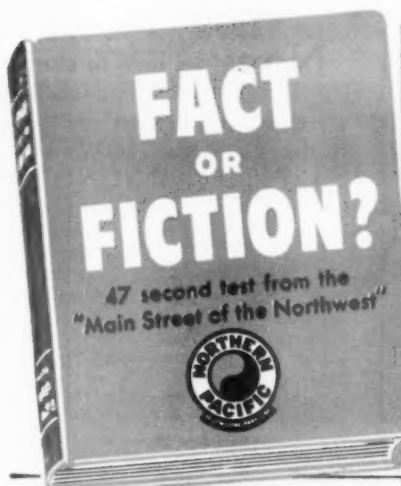
## Information

To aid industry and the public in keeping up with OPA, a new Directory of Commodities & Services has been published, which includes names of key persons in operating units, as well as an alphabetical list of commodities with the appropriate regulation. Copies of the directory and of six supplements to be issued between now and Aug. 1 may be obtained for \$1.00 from the Superintendent of Documents, Government Printing Office, Washington 25, D. C.

## Finished Piece Goods

OPA has taken several steps to halt the practice of overfinishing cotton and rayon finished piece goods that has resulted in the disappearance of simpler fabrics. The finisher must base the cost of roller-printing rayon and cotton goods on minimum runs specified; markup limitations are established for cloths that have been screen printed, embossed, moiré, or printed; converters are prohibited from including in finishing costs the expense of certain types of border or selvedge printing.

The same amendment broadens the exemption from the finished piece goods schedule of better rayon fabrics to include sales



**Q.** U. S. sleepers rest on rails but English rails rest on sleepers. Fact or fiction?

**A.** Fact. Sleeper is English name for tie to which rails are spiked. The Northern Pacific Railway roadbed was improved with 2½ million new ties in 1942-3.



**Q.** 1943 aluminum output of Pacific Northwest hydro-electric plants will be used to make 340 million pans. Fact or fiction?

**A.** Fiction. Entire 1943 output will go to war. About half came from new plants on Northern Pacific Railway.



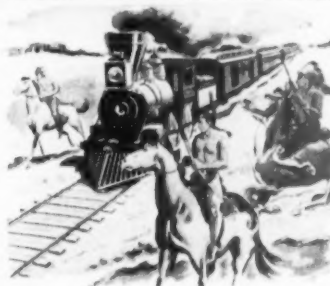
**Q.** Old plows from the Northwest are being dropped on Jap war ships. Fact or fiction?

**A.** Fact. They've been made into bombs. In 1942-3, Northwest shipped 400,000 tons of scrap metal for munitions via Northern Pacific Railway.



**Q.** Exports cut off by war, Dutch grind tulip bulbs into flour for bread. Fact or fiction?

**A.** Fact. But U. S. faces no critical flower bulb shortage. Washington, Oregon growers shipped 4 million pounds in 1943 via the Northern Pacific Railway.



**Q.** Northern Pacific Railway opened the Northwest to settlement. Fact or fiction?

**A.** Fact. That's one reason it now links more of the Northwest's important population centers—is known as "Main Street of the Northwest".



**NORTHERN PACIFIC**  
MAIN STREET OF THE NORTHWEST



*a workable plan  
for*

**—postwar adjustment  
—better living standards  
and  
—continued prosperity**



**By  
ROBERT R.  
NATHAN**

formerly Chairman of Planning, War Production Board  
Whittlesley House Publication

**228 pages, 5 1/2 x 8. \$2.00**

Can we afford to have depressions?

How should we dismantle our war economy?

Must there be a period of extensive unemployment?

What is our common interests in a sound economy?

What is the role of spending in prosperity?

Will taxes stifle incentive?

How much should we sell abroad?

Who pays for carrying the public debt?

*Read the detailed and practical answers to these and many related questions, in Nathan's Mobilizing for Abundance.*

*Just  
Published*

## **MOBILIZING for ABUNDANCE**

**T**HIS book discusses the vital importance of prosperity and job opportunities to the survival of the free enterprise system in America, describes the essential features of how our economy operates, and presents constructive proposals for insuring its successful functioning. Here is an understandable, workable plan for avoiding costly depressions, for getting through the postwar period with minimum economic dislocation, providing more and steadier jobs, and building a long-time era of higher living standards and sustained prosperity for all.

**DONALD M. NELSON says:**

"I have read **MOBILIZING FOR ABUNDANCE** with absorbing interest. In this book Mr. Nathan bears out fully his reputation for deep insight and broad comprehension of many of the major economic and social problems the nation will face in readjustment from war to peace. Among the many reasons that should commend **MOBILIZING FOR ABUNDANCE** to officials and executives everywhere is its remarkable clarity and readability."

**ASK TO SEE IT 10 DAYS ON APPROVAL**

**SEND THIS MCGRAW-HILL EXAMINATION COUPON**

**MCGRAW-HILL BOOK CO., INC., 330 W. 42nd St., New York, 18, N. Y.**

Send me Nathan's *Mobilizing for Abundance* for 10 days' examination subject to approval or return. In 10 days I will send \$2.00, plus few cents postage, or return book postpaid. (Postage paid on cash orders.)

Name .....

Address ..... Position .....

City and State ..... Company ..... BW. 3-4-44

(Books sent on approval in U. S. and Canada only.)

**Now** —a man in close contact with the planning of wartime production mobilization tells us **HOW TO LAY THE FOUNDATIONS** of an *enduring* postwar prosperity.

This book, by an author who is confident that our free enterprise democratic system is the best in the world, presents a concrete and simple program to assure jobs and good living for all our people, *all the time*.

He draws upon his many years of work in war mobilization planning and in economic research to present a clear description of why we have had depressions in the past and how to avoid them in the future. He shows why the best way to preserve the democratic system is to make it work, and then shows *how this may be done*.

to cutters with dress lines lower than Six with the purpose of restoring the normal flow of these materials. (Amendment Regulation 127.)

### **Housing Accommodations**

Housing accommodations and rooms rented for only the summer season resort communities will be exempt from control from June 1 through Sept. 30, 1944, OPA has announced. Houses that are exempt from similar controls last summer will not be restriction-free this year if they were rented any time between Nov. 1, 1943, and Feb. 29, 1944. (Amendment 17 to Rent Regulation for Housing; Amendment 14 to Rent Regulation for Hotels and Rooming Houses.)

### **Denim**

If ceilings on denim—used chiefly in men's clothing—are so low as to force manufacturers to produce at a loss, limited increases in prices will be granted upon application to OPA. (Amendment 17, Revised Price Schedule 35.)

### **Electric Flatirons**

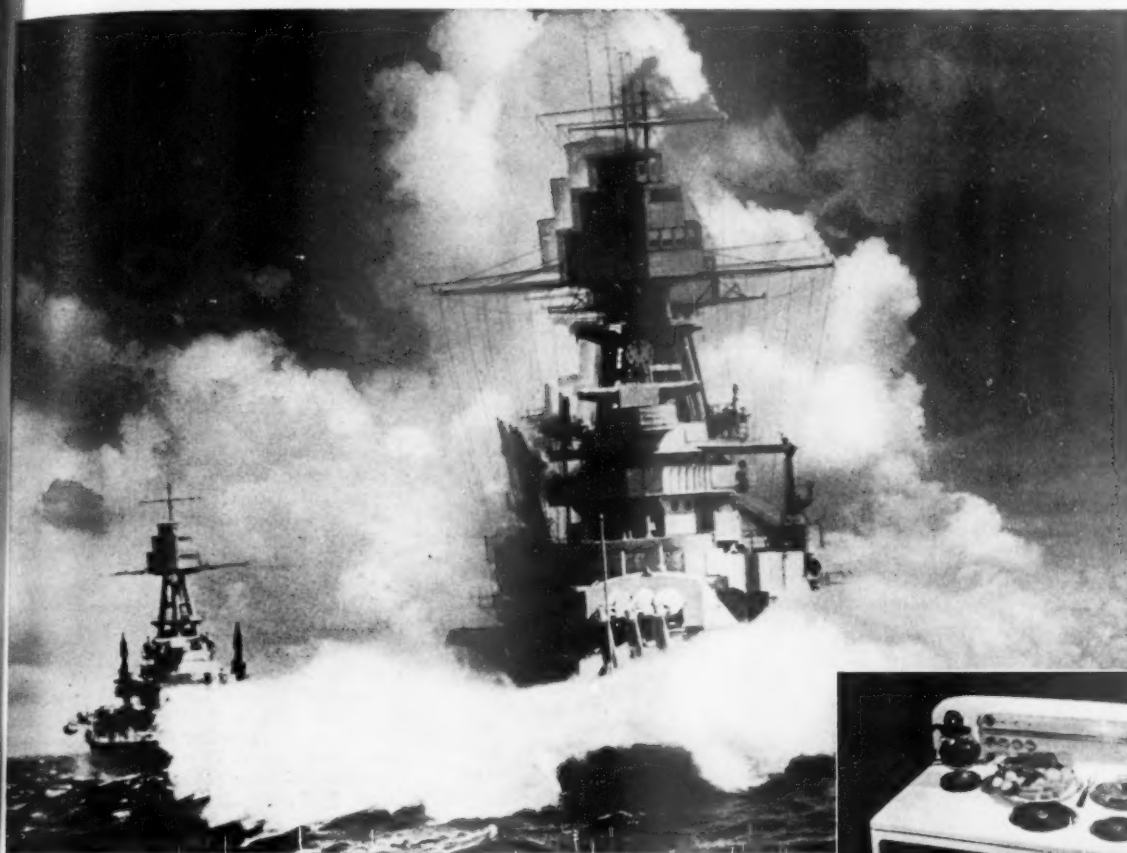
Production of domestic electric flatirons for civilian use will be permitted on a limited basis in plants where it will not interfere with war production programs. The



### **ALL ABOARD-IN WAX**

Phonograph records may eventually replace the sandpaper-voiced train announcer whose garbled call is the butt of many trite railroad jokes. In tests that point a trend, the Louisville & Nashville R.R. now launches trains from Louisville, Ky., via turntable and disc (above). Meanwhile, the Pennsylvania R.R. is attacking its voice problems at the source by sending its 25 New York train announcers to classes in microphone technique to improve their diction and delivery.

*Making strong the things that make America strong*



## Holding a Ship's Shape... Shaping a Stove's Course

THAT SHIP . . . defying a rough-and-tumble fighting ocean . . . needs stiff-willed stamina in the bolts and nuts that secure its ribs.

That stove . . . built on a fast-moving production schedule . . . needs bolts and nuts that are quick on the get-away and take tightening without fumbling or jamming.

For fastening strength that will resist whatever beating a ship or steam-shovel or stone-crusher can give . . . for accurate

mating that hurries a product along an assembly line: fasten with RB&W bolts and nuts.

RB&W developments in cold-forming and cold-punching have set new standards in holding power, accuracy and appearance for all kinds of fastening devices.

The dependability you would expect from the accumulated experience of 99 years and the results of hundreds of thousands of dollars' worth of research work . . . is wrapped up with every shipment

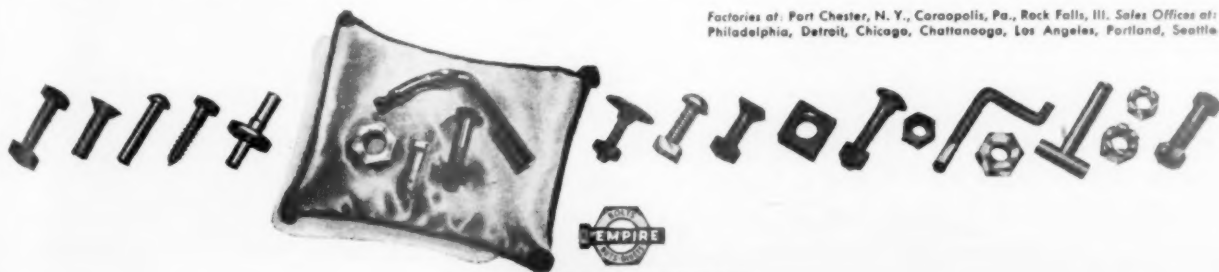


of RB&W products. Little wonder that so much of the best-known farm machinery, transportation equipment, electrical appliances, construction equipment and furniture is put together faster and held together better by RB&W fasteners.

# RB&W

**RUSSELL, BURDSALL & WARD  
BOLT AND NUT COMPANY**

Factories at: Port Chester, N. Y., Coraopolis, Pa., Rock Falls, Ill. Sales Offices at: Philadelphia, Detroit, Chicago, Chattanooga, Los Angeles, Portland, Seattle



AND ALLIED FASTENING DEVICES SINCE 1845

Contact **KAYDON** of Muskegon

*For Unusually Large,  
High Precision Bearings*

## BALL and ROLLER BEARINGS

*Standard and Special*

FROM 6" INSIDE DIAMETER TO 100" OUTSIDE DIAMETER  
COMMERCIAL FINISH OR ULTRA-PRECISION

Radial Ball Bearings • Thrust Ball Bearings • Radial Roller Bearings  
Thrust Roller Bearings • Taper Roller Bearings

*Straight or Self-aligning • Extra Heavy Duty or Special Light Types*

LIGHT WEIGHT NON-METALLIC CAGES OR STANDARD BRONZE TYPE

★ *Early Delivery* ★

*Also any type of*

## PRECISION MACHINE WORK OR GRINDING

*to unusual accuracy in large diameters*

ATMOSPHERE HARDENING • FLAME HARDENING • PRECISION HEAT TREATING  
METALLURGICAL LABORATORY • MICROSCOPY AND PHYSICAL TESTING

★ ★ ★



For excellence in production of extremely precise,  
unusually large ball and roller bearings

**THE KAYDON ENGINEERING CORP.**  
**MCCRACKEN STREET • MUSKEGON, MICH.**

*Specialists in Difficult Manufacturing*

2,000,000 irons allotted to civilians will not be rationed; they will **probably** be in the retail shops by the middle of the year. Application to manufacture these irons should be made at the WPB field offices on Form WPB-3550.1. (Supplementary Order 65-a.)

## Rubber Drug Products

An increase of 3¢ per item is allowed by OPA on ceilings for four groups of flat goods in the Victory line of rubber drug sundries (hot water bottles, fountain and combination syringes, molded ice caps) to compensate manufacturers for costs incurred in substituting synthetic for natural rubber. This increase may be passed on to the consumer. (Amendment 15, Regulation 300.)

## Dried Milk

To channel dried milk and milk mixtures (except infant foods, and products made exclusively from skim milk, buttermilk, or whey), War Food Administration has limited sales of dried milk products—containing 35% or more of milk solids—for domestic consumption in any three-month period either to 75% of the amount sold by any manufacturer in the corresponding quarter in 1943 or to 10% of the sum of his current sales to government agencies and for commercial export. Sales of dried milk compounds—containing less than 35% of milk solids—are limited to 100% of 1942 sales. Purchases by government agencies are not restricted. (Food Distribution Order 93.)

Prices of roller-processed powdered milk and buttermilk for human consumption are increased 1½¢ per lb. in bulk sales by an OPA ruling to bring prices in line with those for spray dried milk. (Amendment 27, Regulation 289.)

## Sugar Quotas

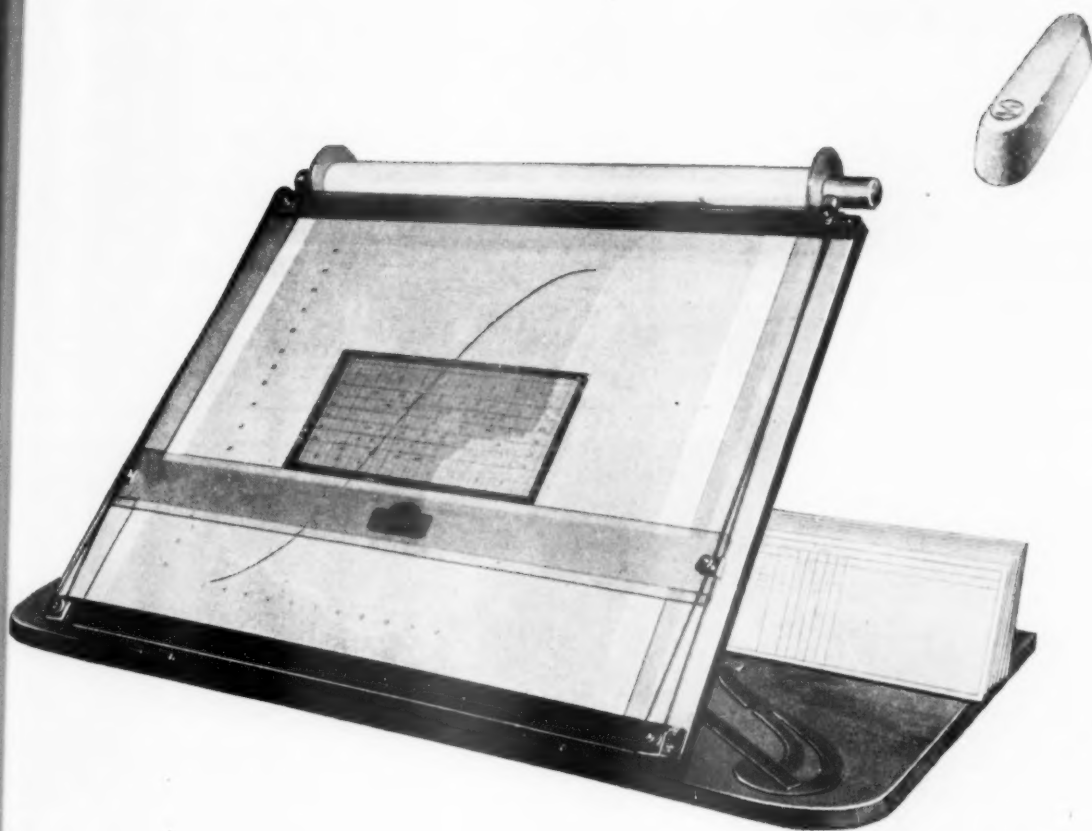
Because a quantity of the 1944 Cuban crop sugar cane (equivalent to 800,000 tons of sugar) and an additional reserve 200,000 tons of Cuban raw sugar are needed to help meet the tremendous demand for industrial alcohol, especially in the manufacture of synthetic rubber (BW—Feb. 5 '44, p17), civilian sugar supplies will be about 6% lower in 1944 than they were in 1943.

## Enriched Flour Mixes

To enable processors to make enriched cake mixes and flour mixes in conformity with War Food Administration requirements that go into effect May 1, OPA has established maximum differentials of 12½¢ per 100 lb. above present ceilings for unenriched mixes which may be charged by sellers other than wholesalers and retailers. Increases allowed will vary with the degree of enrichment. Sales of pancake and waffle mixes, and sales of retail packages of 3 lb. or less are not included in this amendment. (Amendment 42, Regulation 280.)

## Soybean Oil

Soybeans of the 1943 crop that are to be processed for oil have been placed under price control. Under a new OPA regulation,



## How We Keep Perfect Control of Ingot Specifications

The curve chart above, calculates the exact quantity of every element in a Michigan Smelting non-ferrous alloy. It is plotted from data supplied by a Spectrogram as read on the Densitometer in our laboratories. This quantitative analysis is made from a sample drawn from the furnace charge, taken while the metal is still molten—speeded to the Spectrograph where the spectral lines are photographed. Thus, before a single ingot is poured, we can determine and make certain, that the alloy in question meets every specification requirement—is made exactly as ordered.



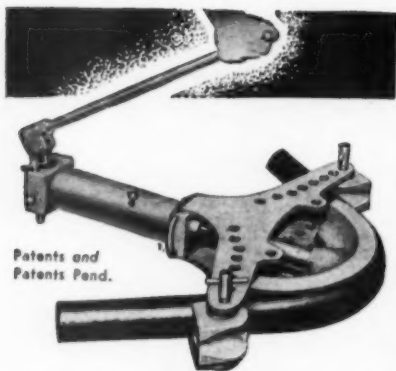
## MICHIGAN SMELTING and Refining

*Division of*

**BOHN ALUMINUM & BRASS CORPORATION • Detroit, Michigan**

*General Offices: Lafayette Building*





Patents and  
Patents Pend.

## TAL'S Prestal Hydraulic PORTABLE PIPE BENDER

Bends iron and steel pipe of 1/2" to 4 1/2"  
in one single simple operation in only a  
few minutes without moving the pipe

**UNIFORMITY OF BENDS:** The last bend is identical to the first, even if made by "green hands."

**PORTABILITY:** Pipe can be bent at the point of repair or installation. Few seconds to mount and dismount.

**SAVES CRITICAL MATERIAL AND LABOR:** Eliminates numerous elbows, fittings, thread cutting, etc. Fastest portable bender!

**ADAPTABILITY:** Quick changeover to various pipe sizes.

**SMOOTHNESS OF BENDS:** No wrinkles—no kinks—no fracture of pipe due to scientific developments of bending formers. No job too complicated.

Bending formers of small radius for **STEAMFITTERS** and **PLUMBERS**.

Meets U. S. Navy, Army and Maritime Comm. Specifications. Write today for circular giving complete description.

New Jobbers and Representatives  
considered.

**TAL'S PRESTAL BENDER, INC.**  
Milwaukee Dept. B3, Wisconsin



## CARRY ON!

There's still plenty left to be done  
... thousands of parts to be handled  
... and with fewer men than before.

You will find Lewis Boxes carrying  
on in hundreds of war plants  
... and they will keep on till  
victory is ours.

Let us make suggestions as to how  
you can carry on by helping solve  
your small parts handling prob-  
lems ... and remember, more  
efficient handling now means lower  
costs in post war competition.

G. B. LEWIS COMPANY, Dept. W3, Watertown, Wis.

**LEWIS**  
INDUSTRIAL CONTAINERS

producers' ceiling for the base grade is \$1.86 per bu.; for the highest quality soybeans, it is \$1.92. These prices, representing a mark-up of 6¢ per bu. over the Commodity Credit Corp. support prices, are to take care of storage and carrying charges. (Regulation 515.)

## Ball Bearings

To speed production of large-size ball bearings, a new WPB order limits the manufacture of specified sizes of antifriction bearings to authorized producers. An unauthorized producer may accept orders for the bearings if he places the contract with an authorized manufacturer. Producers whose monthly shipments of all antifriction bearings in November, 1943, were not in excess of \$60,000 are not covered by this restric-

tion. Orders placed before Feb. 19 may be completed whether the manufacturer comes within the authorized list or not. (Order L-145-a.)

## Container Machinery

All deliveries of new and used container machinery—including that used for packaging and labeling, can closing, can making, glass jar and bottle making, and cleaning or reconditioning—now require a priority rating of AA-5 or better. (Order L-332.)

## Glass Containers

Quotas for new glass containers for 1944 for certain beverages have been announced by WPB. For nonalcoholic beverages, they are 80% of the number accepted by the



Admiral Corp.  
Chicago, Ill.

Air Control Products Corp.  
Coopersville, Mich.

American Radiator & Stand-  
ard Sanitary Corp., Pacific  
Enamel Works  
Richmond, Calif.

American Red Cross  
(Two blood donor centers)

The Brewer-Titchener Corp.

Cortland, N. Y.

The Bristol Brass Corp.

Bristol, Conn.

The Bryant Electric Co.

Bridgeport, Conn.

Clarke Aero-Hydraulics, Inc.

Pasadena, Calif.

Cleveland Welding Co.

Cleveland, Ohio

Detroit Gasket & Mfg. Co.

Marine City, Mich.

Detroit Stamping Co.

Highland Park, Mich.

Douglas & Lomason Co.

Detroit, Mich.

Allen B. Dumont Laborato-  
ries, Inc.

Passaic, N. J.

Eastern Etching & Mfg. Co.  
Chicopee, Mass.

Fayette Mfg. Co.  
Fayette, Ohio

The Firestone Tire & Rubber  
Co.  
Gastonia, N. C.

George A. Fuller Co., Rock-  
wood Alabama Stone Co.  
Russellville, Ala.

General Chemical Co.  
River Rouge, Mich.

General Motors Corp.

Syracuse, N. Y.

Gibson, Inc.,

Kalamazoo, Mich.

Hammond Instrument Co.

(Two plants)

Hercules Powder Co.

Ishpeming, Mich.

Heyden Chemical Corp.

(Two plants)

International Silver Co.

Meriden, Conn.

A. Johnson Machine Works

Brooklyn, N. Y.

Kay-Fries Chemicals, Inc.  
West Haverstraw, N. Y.

Madison-Kipp Corp.  
Madison, Wis.

Maico Co., Inc.  
Minneapolis, Minn.

Metals, Inc.  
Berkeley, Calif.

Muehlhausen Spring Co.  
Logansport, Ind.

Nineteen Hundred Corp.

St. Joseph, Mich.

North Carolina Finishing Co.

Salisbury, N. C.

Roanoke Welding & Equip-  
ment Co., Inc.

Roanoke, Va.

Ross Packing Co.

Selah, Wash.

Southern Mfg. Co.

(Two plants)

Texas Long Leaf Lumber Co.

Trinity, Tex.

Tung-Sol Lamp Works, Inc.

Newark, N. J.

Weirton Steel Co.

Weirton, W. Va.

## Maritime Commission M Awards

Barrett & Hilt  
San Francisco, Calif.

Combustion Engineering Co.,  
Inc.

St. Louis, Mo.

Condenser Service & Engi-  
neering Co., Inc.

Hoboken, N. J.

Graham Mfg. Co., Inc.  
New York, N. Y.

J. A. Jones Construction Co.,  
Inc.

Panama City, Fla.

Kaiser Co., Inc.

Fontana, Calif.

The Kennedy Valve Mfg. Co.  
Elmira, N. Y.

The National Radiator Co.  
New Castle, Pa.

Oil Well Supply Co.  
Oswego, N. Y.

Stetson-Ross Machine Co.  
Seattle, Wash.

(Names of winners of the Army-Navy and Maritime Commission awards for excellence in production announced prior to this new list will be found in previous issues of Business Week.)

# ONE MAN DOES MORE THAN 3 OR 4



**T**HINK of the man-power savings that will mean in your plant!

Because they move materials as a unit rather than as separate items or containers, Barrett Lift-trucks enable one man to do more than three or four with ordinary equipment—eliminate all unnecessary handling and rehandling. With a Barrett, you stack it once . . . and it's done. Surely

such labor-saving equipment can be of help to you in these critical times.

Why not investigate? Get in touch with a Barrett Engineer now—when he can do you and your war effort the most good.

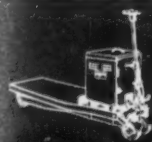
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A postcard will bring your free copy of the new Barrett Junior Catalog

# BARRETT

ONE MAN DOES MORE THAN 3 OR 4 . . . WITH A BARRETT LIFT-TRUCK





"Porcelains" in spark plugs for airplane engines must be absolutely reliable. Our fliers' lives depend upon the ability of these electrical insulators to withstand exposure to sudden and extreme temperature changes. Manufacturers obtain this dependability by making them of Alorco Aluminas.

In many other types of products—those pictured above, for example—Alorco Aluminas are capable of doing an equally responsible job. In the manufacture of high temperature refractories, for parts that must retain their high dielectric strength at elevated temperatures, for such extremely hard materials as grinding balls, Alorco Aluminas have proved equal to the demands.

Surprising accuracy is possible where Alorco Aluminas are employed. Faithful reproduction of shapes and close dimensional tolerances simplify quantity production and use of these parts in assemblies.

To men who are looking for ways of improving old products, we suggest—Send for samples of Alorco Aluminas for trial in your own plant. **ALUMINUM COMPANY OF AMERICA** (Sales Agent for ALUMINUM ORE COMPANY), 1935 Gulf Building, Pittsburgh, Pennsylvania.

**ALUMINUM ORE COMPANY**



*Aluminum and Fluorine Compounds*

packer for this purpose in 1941; for wines and distilled spirits, they are 100% of the number so used in 1943. The quota for malt beverages is 100% of the returnable bottles taken by the packer in 1943 for this use. (Supplementary Order L-103-b, as amended.)

### Cellulose Acetate

To provide stricter controls over raw materials and to help break up a black market in scrap, WPB has placed cellulose acetate molding powder under special allocation regulation, under which a processor must apply direct to WPB for his materials. The result may be increased civilian production of the plastic in which this powder is used, for manufacture of such items as toys, toothbrushes, buttons, slide fasteners, electrical and industrial parts. (Order M-326-b.)

### Electric Power

To assure increased food production in areas dependent upon irrigation systems, the Office of War Utilities has provided for extensions of electric power to water pumps that irrigate at least five acres of land, under specified conditions. (Supplementary Utilities Order U-1-i.)

### Machinery Parts and Services

The OPA regulation controlling prices of machines, parts, and machinery services has been revised to permit persons under defined "emergency" conditions to pass on to buyers unusual expenses incurred in speeding production and delivery. (Amendment 108, Regulation 136.)

### Other Price Actions

Maximum prices of 46¢ per lb. for powdered castile soap and 41¢ per lb. for the soap in granular form, when sold by producers to industrial consumers or to government agencies, are established by OPA in Amendment 96 to Revised Supplementary Regulation 14. . . . Frames for dining room, dinette, breakfast room, kitchen, and bedroom chairs are added to the list of wood household furniture subject to the manufacturers' and jobbers' price increases of Dec. 17, under OPA Amendment 3, Order 1052 under Section 1499.159b of Regulation 188. . . . Through Regulation 514, OPA has brought goat meat under specific dollar-and-cents ceilings, wholesale and retail, at somewhat lower than current levels.

### Other Priority Actions

Manufacturers of cheddar cheese are required by War Food Administration to set aside 45% and 55% of their output for the months of March and April, respectively, as contrasted with the set-aside quotas of 30% for January and February; this will not reduce the civilian supply, however. . . . Motion picture theaters may use the AA-2 preference rating and the maintenance, repair, and operating supply symbol (MRO) for minimum necessary maintenance and repair of electronic (sound) equipment already installed, WPB has announced.





# FIBERS OF THE FUTURE

Textile industry prepares to take the temperature of postwar prosperity with a glamorous array of fabrics and of specialized finishes designed to protect them against common hazards. Stimulated by war demands, improved chemical technology and manufacturing methods weave new patterns of competition.

When the textile industry turns away from war and begins to materialize its constructive ideas for peacetime production, it will tempt the market with an array of appealing new fabrics, an earful of symphonic new names.

A number of synthetics had won prizes for themselves before the war. Such names as rayon, nylon, Vinyon, Aralac no longer sound like foreign words. There will be many others crowding into the language.

Through the controls possible under modern factory methods, the synthetic fibers also promise the industry a measure of stability—in cost and quality of materials—that, so far, has not been possible with natural fibers.

**New Selling Points**—All the newcomers and the time-tested natural fibers—

cotton, wool, flax, and silk—figure to cash in on the industry's war and late prewar developments. Both natural and synthetic kinds can be processed to resist fire, water, sunlight, decay, mildew, insects, and vermin. Housewives are interested in synthetics that remain smooth and shapely, after laundering, without ironing or stretching. Similar properties may be imparted to the natural fibers through finishes and blends.

Since the first quarter of last year, textile production has shown a general downward trend. The military pipelines are full, and civilian supply suffers from manpower limitations and from the fact that no new machinery is available for nonmilitary production.

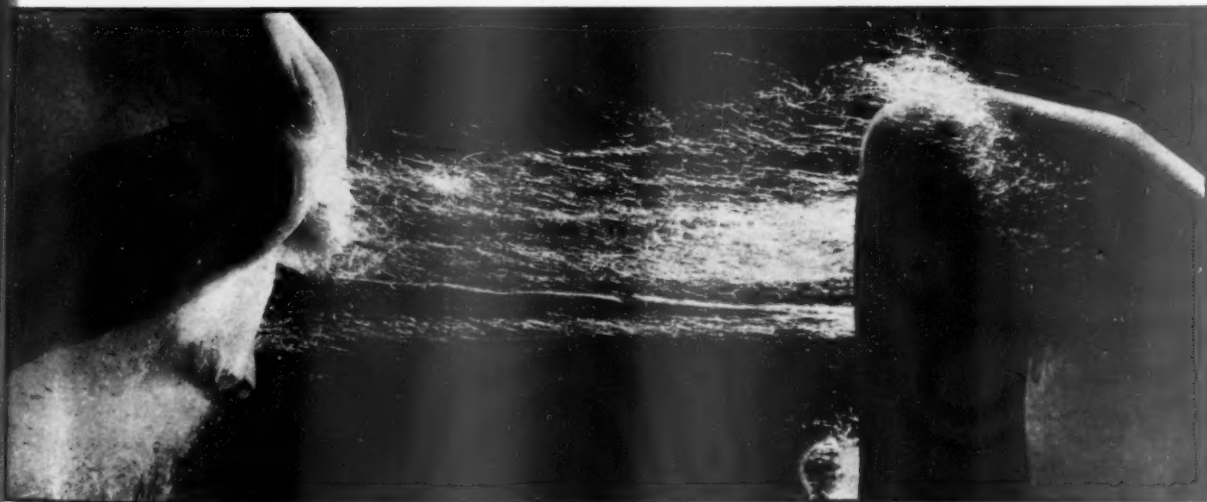
● **New Equipment Markets**—But as soon as war restrictions are lifted, the

industry will begin to satisfy its now unsatisfied customers. Textile machinery builders, who have been making munitions and war equipment, will go back to creating equipment that is carrying fiber production, spinning, and weaving further along the road that should lead eventually to a series of operations handled completely by automatic machines.

The success of textiles in holding production at wartime high levels, perhaps in reaching new high marks, will indicate in a general way the health or illness of our postwar economy.

## I. NYLON

Nylon is a fiber the chemists call a true synthetic. It is built up or synthesized from common stuff: coal, air,



Rayon staple fiber is a blending agent that seems to have an affinity for all other fibers, both synthetic and natural.





Nylon, replacement for silk in women's hosiery and parachutes, also makes such luxury fabrics as crush-resistant velvet and sheer marquisette

(above). Nylon fabrics are said to resist tearing and accidents and to hold their shape without sagging. Some nylon sheers require no ironing.

water. It has proved itself stronger, more durable, more uniformly dependable, but somewhat less soft to the touch, than silk. Industrial chemists point to the commercial success of nylon as indicating a luxuriant growth for the synthetics in general in the postwar future.

● **Pure—but Profitable**—Research by the chemical department of E. I. du Pont de Nemours & Co. discovered nylon. Du Pont technical men feel special pride in the nature of this research. It aimed to extend scientific knowledge with respect to molecules and the way molecules join together to form larger molecules or polymers. Molecules themselves represent the union of particles or atoms of the chemical elements. Molecules may be described as building blocks, used by chemical engineers in the architecture and construction of all synthetics.

So although nylon is a laboratory baby, it was discovered in the course of a search for knowledge—the technical men call it pure science—rather than in a search for new products. Du Pont chemists also point out that, properly speaking, nylon is not an individual but a family. There are many different nylons, each with special properties to fit special uses. Unlike the early silk substitutes, nylon was fully developed before it was offered to the public. Thus it had no public growing pains. This advantage has not been ignored by firms now developing other synthetic fibers.

● **Gadgets to Frills**—Nylon can be used as a plastic to mold gadgets or mechanical parts such as bearings. It can be spun into a thread finer than a spider web. It can be made into bristles, surgical sutures, window screens, and tennis racquet strings, or into more glamorous goods: crushproof velvet, quick-drying lingerie that requires no ironing to restore its smooth feel and appearance, lace curtains that won't have to be ironed or stretched back into shape, dresses with permanent pleats to eliminate pressing after laundering or cleaning, frilly neckwear that may be laundered to crisp freshness without starch or ironing. It also can be made into leather-like fabric coatings, rattan-like upholstery strips, or transparent film.

In the field of heavier fabrics, nylon makes tire cord suitable for the heaviest trucks and planes, and such things as quick-drying sailcloth. Wartime production is devoted chiefly to such military uses as parachutes, glider tow rope, airplane tire cord, paint brush bristles, mountain tents and ropes, sewing thread, and surgical sutures.

● **First Hit—Hosiery**—Prewar nylon was mostly devoted to women's hosiery. But all postwar hosiery won't be nylon, any more than all nylon will go into hosiery. Nylon faces keen competition from rayon, other synthetics, as well as from natural silk and cotton.

Members of the shopping sex who

have been willing but unable to buy nylon hose since shortly after Pearl Harbor can barely wait until the war is over. There have been near-riots as the result of nylon closeout sales. Black market quotations have been reported at \$5 to \$12 a pair, the scalpers' price for holding on to the last available nylons as civilian deliveries of both silk and nylon were stopped a little more than two years ago.

● **Hold Their Shape**—Readiness of nylon fabrics to accept lasting shape at the mill may imply a minor revolution in the hosiery business. One result might be the sale of new knitting machines to almost all hosiery mills. Some technicians think it may imply, eventually, an end to the trade dominance of full-fashioned hosiery.

Full-fashioned hosiery is shaped with the aid of a seam up the back. It's the kind preferred by most women as less likely to sag at the ankles and bag at the knees. For women, it outsells seamless hosiery about three to one. But, if the hosiery mill uses nylon, or some of the other synthetics, it can shape a stocking into a permanent leg-like contour without using a seam. The process utilizes metal forms and heat, like the beauty parlor permanent wave, but its effect is more lasting; the shape lasts as long as the stocking.

Although many women always may prefer seams, the manufacturers expect to aim their sales appeal for preformed seamless hosiery at the younger generation.

Most women prefer nylon to silk, the hosiery manufacturers are convinced. Thus it is likely that nylon will have a permanent hold on silk's biggest prewar market.

● **War Record**—In 1941 three-fourths of all women's stockings were silk, and the hosiery manufacturers were buying 93% of the United States' raw silk supply, plus 85% of its nylon. By January, 1942, the hosiery market was about evenly divided between silk, nylon, and rayon, according to Dept. of Commerce surveys. Six months later, rayon hosiery was outproducing nylon nine to one, and silk was on its last legs.

With silk and nylon out of the running, rayon now has more than 90% of the market. (Rayon manufacturers feel that, because war restrictions have prevented them from selling their better grades of yarn to the hosiery trade, their product may start the postwar period with less public favor than it deserves.) Despite efforts to popularize cotton stockings in sheer textures and in exotic colors, full-fashioned cotton hosiery production has shown a downward trend since March, 1943. Woolen hosiery



# Additions and Improvements for Greater Service

**I**N the five worst years of the Depression -- 1931 to 1935 -- The Youngstown Sheet and Tube Company spent over twenty-nine million dollars for "additions and improvements." Specifically, this meant new electric weld tube mills, improvements to seamless tube mills, new 79" continuous hot and cold sheet and strip mills, new alloy steel facilities, new thin wall conduit mills, new tin plate mills, blooming mill furnaces, railroad spike and tieplate plants, river coal loading equipment, ore mine improvements and many other projects to improve quality and further to diversify products.

How could Youngstown afford to invest so many millions in new equipment when the economic world seemed desperate? Because of two vitally important things: First, because the company had been permitted -- under a system of free enterprise -- to earn and conserve profits which *could* be spent in bad times. Second, because under free enterprise the company could look forward with certainty to business recovery, when America would need vast quantities of steel again and would reward those producers who had the most efficient plants.

Typical of industries created and reared by Free Enterprise, Youngstown can continue to improve quality and further to diversify its products with additions and improvements, so long as enterprise remains free.

Historical Series . . . No. 12

## YOUNGSTOWN

THE YOUNGSTOWN SHEET AND TUBE COMPANY

YOUNGSTOWN, OHIO

Manufacturers of

CARBON - ALLOY AND YOLOV STEELS

Pipe and Tubular Products - Sheets - Plates - Conduit - Bars - Tin Plate  
Rods - Wire - Nails - Tin Plates and Spikes - Alloy and YOLOV Steels

TAPPING HEAT OF OPEN HEARTH STEEL



## It would be too late ... then

If enemy bombers were unloading their cargoes of death on us right now, you might know why all of us should have bought more war bonds. But maybe you'd never know....

Horror like this is one of the things that American fighting men and machines are fighting to prevent. Don't forget this—not for a minute!

Your war bonds *do* help equip those fighting men! Your war bonds *do* help buy those fighting machines! Don't forget this, either.

And remember that you're doing yourself a mighty good turn when you invest in America. At maturity, \$3.00 in war bonds becomes \$4.00... \$300.00 becomes \$400.00. Save more in war bonds now... have the cash you'll enjoy in the victorious future that's surely coming!

**Paper is a vital war material. To save paper, to save money, now more than ever....**

IT PAYS TO PLAN WITH  
YOUR PRINTER

**Nekoosa Bond**

One of the Pre-Tested Business Papers manufactured by the Nekoosa-Edwards Paper Company, Port Edwards, Wisconsin. Companion papers are JOHN EDWARDS BOND, NEKOOSA MIMEO BOND, NEKOOSA DUPLICATOR BOND and NEKOOSA LEDGER.

appeal continues to be limited to sportswear customers.

• **Postwar Prospect**—The big question in women's hosiery is: How soon will nylons be back on the market? Du Pont officials say, definitely, not until final victory. But the mills can start to knit nylon hosiery within a week after this synthetic gets its honorable discharge from the Army and Navy, and the department stores may expect deliveries three or four months later. Present estimates are that prices will follow early 1942 levels—\$1.15 to \$1.85 a pair for most grades, the most popular numbers around \$1.65.

Nylon stands at the top of the fiber price scale. Its ceilings now range from \$1.77 to \$2.80 a pound on military orders, roughly ten times the price of cotton, and pretty close to the 1938-39 range of silk quotations. Last price reductions of about 10% were made in April, 1943.

Anticipating the postwar return of nylon, the hosiery trade recently has been reducing its inventories. Normal hosiery stocks about equal 60 days' sales. Current stocks are reported in the trade as about 70% of normal.

## II. RAYON

Some rayon manufacturers are convinced that their postwar outlook is the brightest in all industry. Certainly it is not the most dismal.

Rayon is no longer an infant. Its

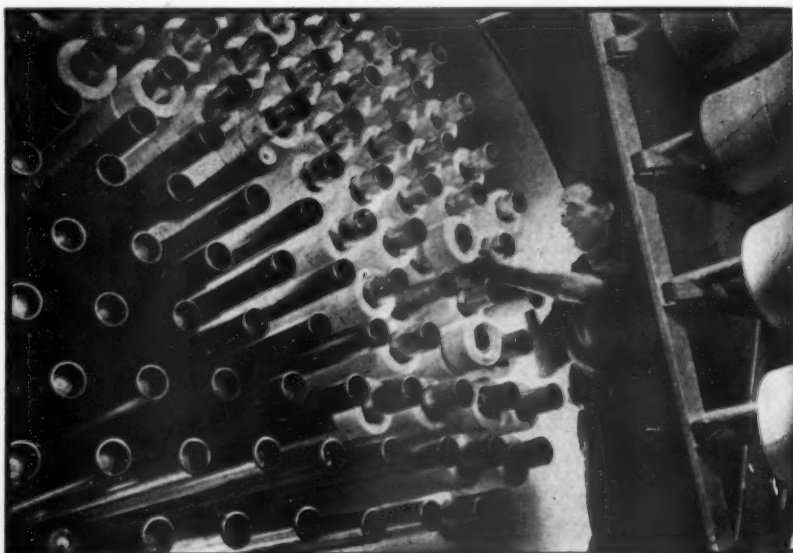
American branch is 33 years old this year, having been planted at Manassas Hook, Pa., in 1911. And it keeps growing, in time of war, to meet demands for cargo chutes and rayon cord in military tires. At the same time, civilian demands for rayon exceed supply. Cotton still takes an 80% share of the textile business on a pound basis (though it is less dominant than other yardsticks such as value added in the raw material by manufacture), but wartime expansion gives rayon second place in mill capacity, ahead of wool.

Stanley B. Hunt of the rayon industry's Textile Economics Bureau recently compiled this picture of the "capacity" of the textile industry by the end of 1944:

	Estimated Annual Capacity millions of lb.	% of Total Annual Capacity
Cotton .....	5,600	79.5
Rayon .....	800	11.3
Wool .....	650	9.2
Total .....	7,050	100.0

Cotton and wool, in this comparison, were figured at their 1942 levels of consumption, the highest in ten years, whereas rayon capacity takes into account plants now under construction.

• **Rayon Looks Ahead**—The rayon industry is not going to be satisfied with 11.3% of the textile market. Its planners look back and see that 20 years ago rayon's share was about 1%; then they look at the world textile situation, as



After rayon filaments are formed by chemical regeneration of cellulose fibers of wood or cotton linters, they are spun into yarn. For shipment to

a textile mill, the yarn is wound into easily handled cylinders called "cakes," and then dried on tubes mounted inside a vacuum unit (above).



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1944



## The day New York folded up!

It was not good at all. The whole city just folded up like a sack of potatoes. No reason. Just collapsed. It was bad.

"This is bad," said a usually well-informed source standing amid the ruins. "In fact, there's only one thing good about it."

"What's good about it?" said a voice from under a mass of office equipment and misses' wearing apparel.

"It demonstrates a very important fact," he mused. And then he explained it all this way:

If the entire city of New York should suddenly collapse that would represent the loss of about 21 billion dollars' worth of property... Now it took America's machine tools a powerful long time to produce a lot of that stuff—yet the entire contents

of the city of New York adds up to less buildings, equipment, products and gadgets than will be sold in the year 1946 alone!\*

And 21 billion dollars represents a lot of buying—yet it is scarcely *one-third* the buying power that has been stored away *already* in the purchase of U. S. War Bonds!

Do we make the point? Machine tools are going to be very very busy after this war. We know, because Jones & Lamson engineers are already very very busy—working behind closed doors with the designers and planners of America's leading manufacturing companies, helping to develop *now* better products and cheaper ways to build them in the era of fast competition to come. They are at your service, too.

\*Based upon a Department of Commerce estimate, assuming that the war and immediate conversion period will be over by 1946.

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## REPORT TO EXECUTIVES

existed before the war, and point out that rayon had 21% of the world textile market in 1939, but only 9% of the United States market.

About ten years ago, rayon, aided by the fact that silk prices flew out of reach of big volume manufacturing, blitzed the market for women's dresses. Spot surveys made for a rayon manufacturer before the war showed that two-thirds of all dresses sold were rayon, and approximately two-thirds of all departments in the larger stores sold rayon products.

• **Battle for Tires**—Rayon's movement into the tire cord business has been slower, but more impressive. One of the sensations of William Jeffers' term as rubber director was his bold assertion that the Army wanted rayon for its tires, and would get rayon. Hidden behind the public amazement at such open defiance of the powerful cotton bloc was the fact that rayon already had begun its attack on the tire cord market, cotton's biggest industrial outlet, five years previously.

Cotton recently has opened a counter-attack with high-powered research of its own. The battle isn't over, but rayon, now building additional plant capacity under urgent orders of the War Production Board, has made considerable progress.

WPB definitely is committed to the use of rayon cord in heavy-duty tires, the kind the Army uses. In lighter passenger car tires, cotton is being used and probably will continue to be used, at least until war restrictions give way to private competition.

• **Worth Fighting For**—The tire market is well worth fighting for. In 1941, the last year of unrestricted production, tire manufacturers used 389,500,000 lb. of cotton, according to figures compiled by the Rubber Manufacturers Assn. That same year, total rayon production was 487,500,000 lb., and viscose rayon, only kind used for tire cord, was only 285,000,000 lb.

In other words, the tire industry alone offers rayon a possible market that consumes more fiber than all viscose rayon plants in the country could produce as recently as 1941.

For cotton it's different. Although tires were the biggest industrial buyer of this fiber before the war, they used only 8% of the country's total cotton consumption, while the entire rubber industry, in tires, footwear, and rubberized materials, used 10.6%.

• **Army Likes It**—About one-fourth of the current rayon output is reported to be earmarked for military tires. Rayon manufacturers claim that every pound of rayon used in a tire saves two-thirds of a

bound of rubber, because rayon permits thinner construction.

The Army's preference for rayon in heavy-duty tires, which parallels the attitude of rubber manufacturers, is based on engineering conclusions that tires break down most often from the heat generated by road friction; that rayon, in combination with rubber, heats more slowly than cotton; and that rayon, unlike cotton, tends to become stronger as heat removes moisture.

About 31% of the composition of the modern tire, by weight, is cotton or rayon.

One manufacturer's specification for a 6.00x16 passenger car tire—which under existing regulations may not use rayon—calls for 3.3 lb. cotton, 10.4 lb. rubber. Another manufacturer's specification for an 8.25x20 tire, smallest size now being made with rayon, calls for 11.65 lb. rayon, 1.90 lb. cotton, and 42.59 lb. rubber.

• **For Passenger Cars?**—Present estimates are that 1944 rayon and cotton tire cord requirements will approximately balance at some 200,000,000 lb. each. The rayon program now in the construction stage calls for annual rayon cord capacity of 235,000,000 lb., which would put rayon into the dominant position next year. Whether rayon later can extend its gains to include passenger car tires is a question to be fought out in postwar competition.

The particular rayon used in tire cord is designated "high tenacity." It gains strength by being stretched in the spinning process. A chemist observed that a spider does the same thing with its web. He found that contents of a spider's spinning gland, if removed, made a water-soluble mass without strength, but if the contents are dried for a few seconds and then stretched, "a strong, transparent, elastic, and water-insoluble silk is obtained."

Chemists explain that stretching lines up, or "orients," the fiber molecules in a parallel position and thus causes them to cling to each other more firmly.

• **Three Kinds of Rayon**—Classified according to chemicals used in their manufacture, there are three kinds of rayon: viscose, acetate, and cuprammonium. Viscose and cuprammonium rayon are chemically related to cellophane and standard photographic film. All are forms of cellulose, which comes either from wood pulp or from cotton linters, the short fibers left on cottonseed after ginning.

Acetate rayon was the solution of a postwar conversion problem back in the days following the World War. A combination of cellulose and acetic acid was the nonflammable "dope" used on

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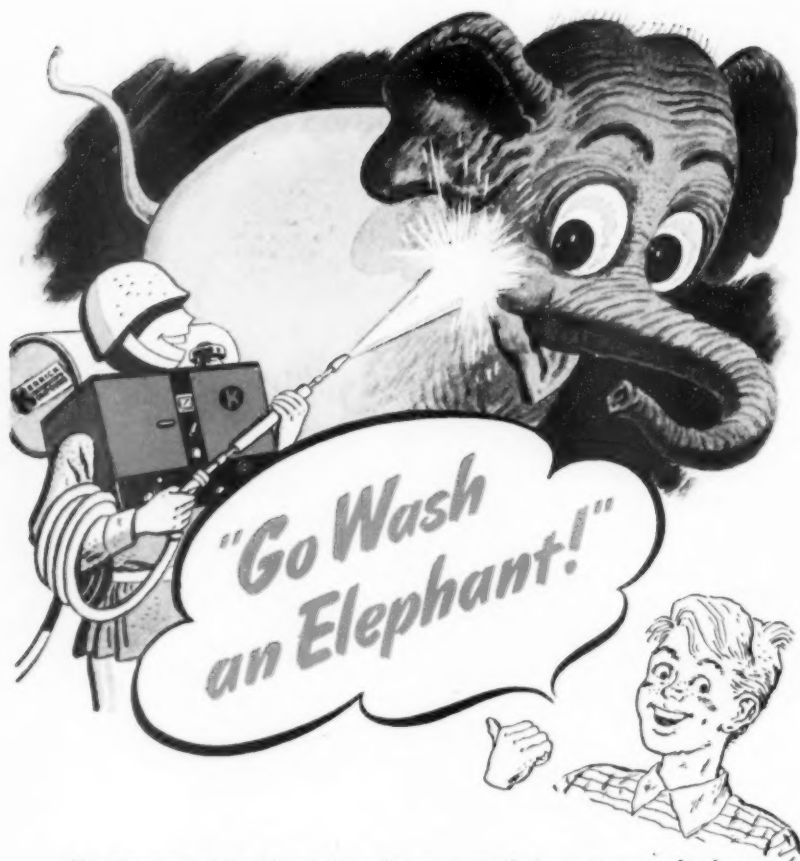
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# CLAYTON

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linen and cotton aircraft wing coverings. When military plane production stopped, this dope was converted into a textile fiber.

• **How They Differ**—Viscose rayon, the volume leader, gains strength as it dries, but the type that is used in tires loses about 40% of its strength when wet. Viscose rayon is less washable than cotton, and is not mildew-resistant without special processing. Acetate rayon is more sensitive to hot water than viscose rayon, but, unlike viscose, is mildew-resistant. Acetate is weaker than viscose when dry, but loses only about 35% of its strength when wet. Cuprammonium rayon has properties similar to those of viscose.

Control is the angle from which rayon expects to continue its offensive against new markets. Within reasonable limits, rayon manufacturers say, they can control the relative luster or dullness of their product, its diameter, fiber length, dye affinity, tensile strength, extensibility, and other qualities to meet trade requirements.

To overcome the most common objection to rayon, its sensitivity to washing, laundry equipment builders have been collaborating in the design of commercial washing machines specially engineered for various kinds of rayon fabrics.

• **Staple Fiber**—In the last few years, rayon has extended its usefulness in textiles by developing what the trade calls staple fiber. The continuous filaments, which result from pumping dissolved cellulose xanthate through the tiny holes of spinnerettes, are cut into uniform lengths, then used in cotton, woolen, and worsted types of machinery. It is an inexpensive blending fiber for use with wool.

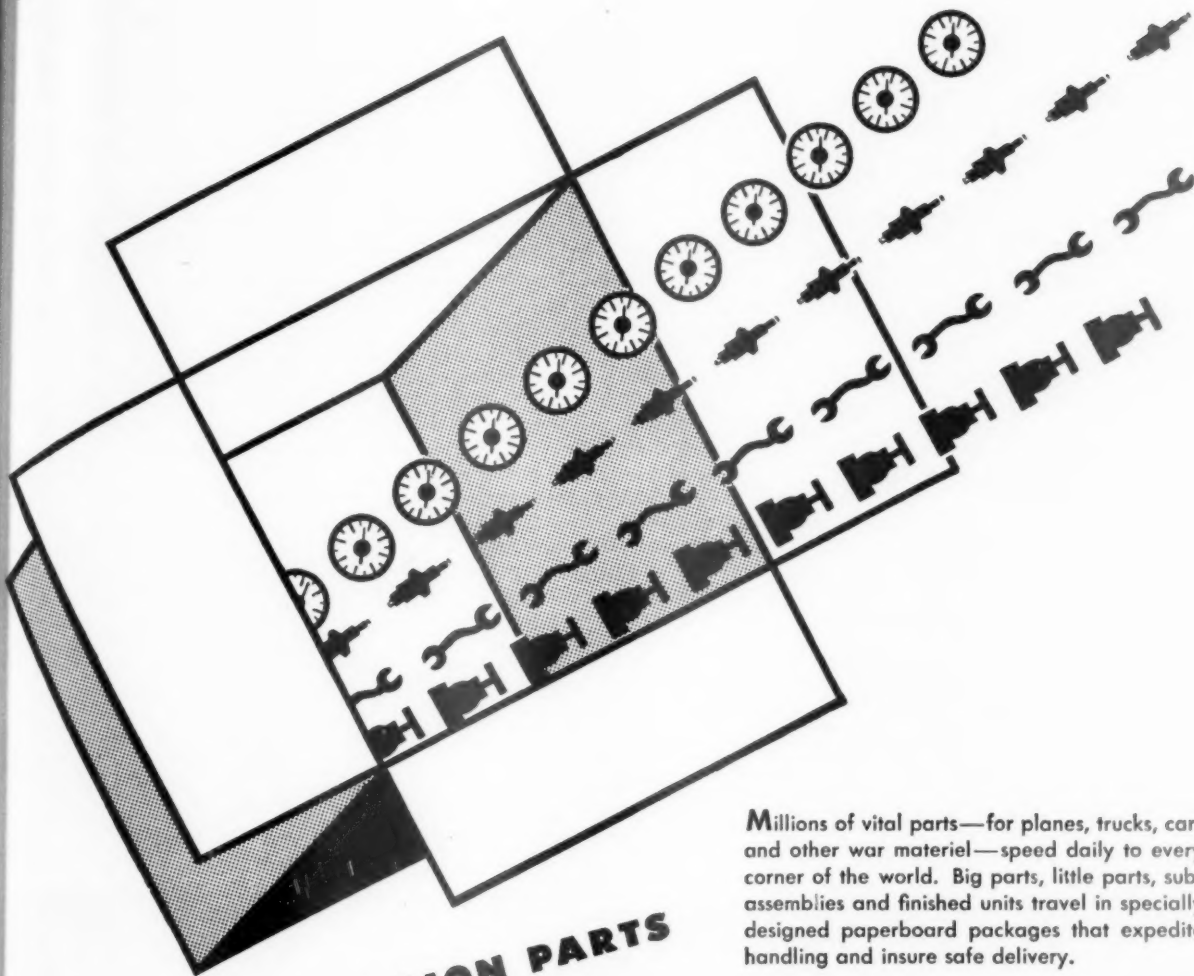
Some fabrics are woven from mixtures of rayon, wool, and cotton. A fine fabric for men's shirts is labeled 80% rayon, 20% cotton. The cotton in the blend improves launderability and facilitates preshrinking of the fabric.

This trend toward blending of fibers, the rayon makers believe, means a continuing expansion of rayon's usefulness.

Although rayon parachutes have been used to float down such heavy fighting equipment as a one-ton howitzer, or a 37-mm. antitank gun, they haven't yet been employed by U.S. military authorities for man-carrying types. However, one saponified acetate rayon, Fortisan, a Celanese Corp. product, which is claimed to approximate the strength of nylon, has undergone tests which might lead to its adoption by the Air Forces as a fabric suitable for escape parachutes if there should be a shortage of nylon.

• **Holding the Twist**—When hosiery manufacturers turned to rayon two years





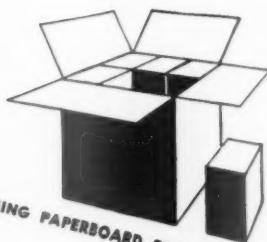
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ago, they courted trouble. Hosiery yarn is thrown, or twisted, before knitting to improve its elasticity, appearance, and ability to resist strain. The twist in rayon had a way of kinking and snarling in the knitting machinery. Chemists met this problem by developing compounds which hold the twist in the yarn during the knitting process, and act as lubricants. They are reported to have reduced "seconds" in the hosiery mills from an early average of 25% to 30% to a current average of approximately 5%.

In the wartime market, rayon also has had the call for some types of women's factory uniforms. In addition, it makes lint-free garments for precision mechanical workers, blood plasma filters, paint brush bristles, a new rug fiber, industrial packing and insulation, fabric reinforcement in self-sealing linings for gasoline tanks, and thousands of items of sports and dress apparel.

• **Welding Job**—Because it is thermoplastic, hence moldable at high temperatures, acetate rayon fabric can be stitched without thread, by a new process similar to spot welding of metals. In the long-term future, some observers envision not only threadless stitching, but also fabrics produced without such preliminaries as spinning and weaving.

The rayon manufacturers, although

they discount such a possibility, give the impression that they believe the synthetic fabrics can, and will, do almost anything else. Immediate trends are toward continuous processing methods, to avoid changeover from one machine to another, and the development of machinery specially engineered for rayon fabrication. Up to the present, rayon has been fabricated for the most part on machinery originally designed for the natural fibers.

• **Consolidating**—A few observers forecast another kind of postwar streamlining in the textile industry: a trend toward unification of the complicated system through which textiles flow from the mill to the consumer.

First conventional step, after the raw yarn leaves the rayon plant, may be the process of twisting, by a "throwster." Then the twisted yarn may go to a dyer, then to the weaver. The middleman who takes unfinished cloth and has it finished, dyed, and otherwise converted into goods that will be attractive to the garment makers and other large buyers is the converter. Cutters and jobbers complete the cycle to the retailer.

To consolidate milling operations, after spinning and before final distribution, is a project recently undertaken by Atlantic Rayon Corp., formerly a yarn-converting mill, which has expanded its

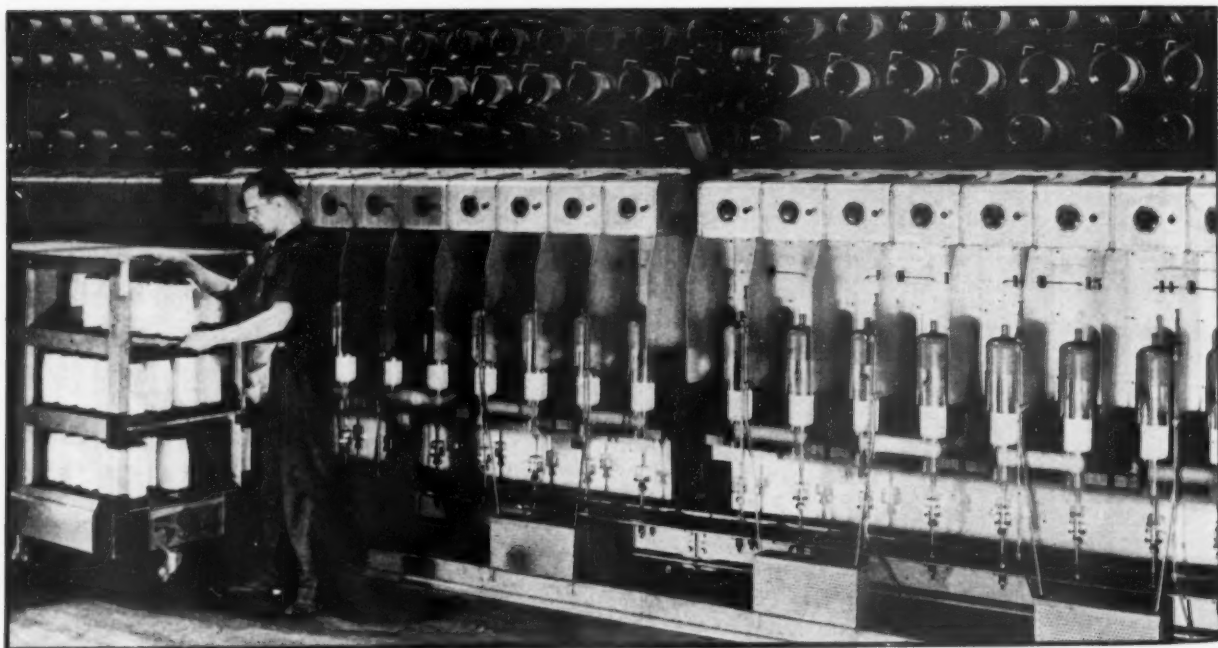
activities during the war to include the ownership of units for throwing, weaving, dyeing, and manufacturing finished textile products.

Iselin Jefferson Co., which controls several New England and southern mills, has achieved a successful integration of operations from the raw material to the finished product in rayon bedspreads.

However, textile men emphasize that, in such integrations, all the functions of nonintegrated operation are essential. If independent specialists do not take over these functions, specialized units or departments must be organized to handle them.

• **First a Substitute**—The name rayon represents integration of another sort achieved 20 years ago by the National Retail Dry Goods Assn. The trade refers to this period in synthetic fiber development as the "pink pantie era." In men's furnishings, it was the "silk shirt era." But in Federal Trade Commission history, it was the "substitute silk crack-down era."

FTC opened fire on manufacturers who were using the word "silk" to describe textiles made from artificial fibers. Acting in the belief that department stores would come next on the crack-down calendar because of consumer complaints about unsatisfactory silk sub-



Continuous process methods, developed by Industrial Rayon Corp., use plastic thread-advancing reels and automatic machinery to spin, stretch, wash, desulphur, bleach, lubricate, dry, and twist the yarn in one unbroken se-

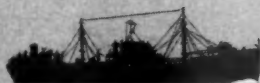
quence of operations. To help meet military tire requirements, Industrial went one step further in a recent plant installation and installed tire fabric-weaving equipment in conjunction with its rayon machinery.

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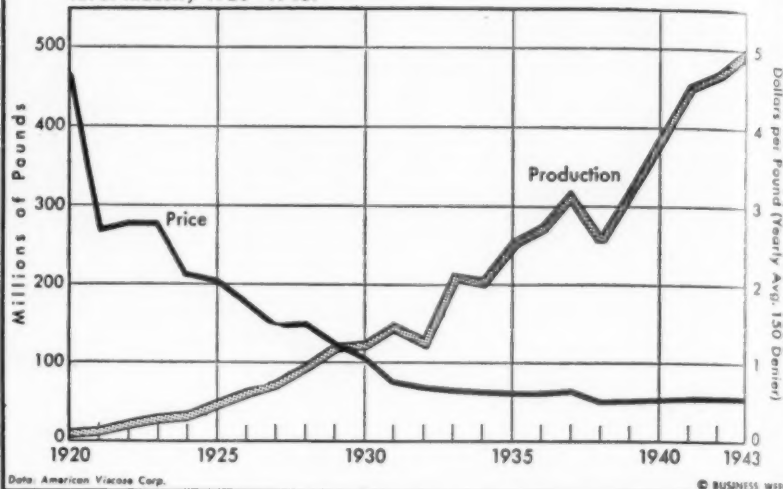
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## RAYON YARN—POUNDS AND PRICES

(U. S. Industry 1920—1943)



stitutes, the dry goods retailers called a defensive conference, and to this meeting invited manufacturers from all over the country.

• **Then It Was "Glos"**—Lew Hahn, general manager of the Dry Goods Assn., relates that he reminded this meeting that silk was the product of a worm, and it might be difficult to persuade a worm to improve its product. Artificial fibers, spun with man-made machinery, made a different story; they were undergoing constant improvement. So why wouldn't it be a good idea to agree upon one general name for man-made silk that would circumvent both the worm and the FTC crusade? That struck the storekeepers and manufacturers as an idea worth action. They agreed upon the name, "glos." Sarcastic letters began to arrive immediately. "Glos" might be an appropriate name for paint, shoe polish, or hair oil, some said, but for the high-style fabrics, no.

Kenneth Lord of the New York textile firm of Gale & Lord, Inc., is credited with suggesting "rayon" to the final selection committee headed by S. A. Salvage of American Viscose Corp. To avoid any possible dispute, "rayon" was registered as a trade name belonging to the association, but no royalties have ever been charged for its use.

• **Everybody's Baby**—Rayon has become a common term in many languages. Rayon also has become an accepted part of the more abundant life of recent years. Because of rayon, the working girl of today is able to enjoy a better costume and a more expensive wardrobe than her mother and older sisters could obtain back in the dear dead days of the pink pantie era.

By intensive promotion stressing the fact that better kinds of rayon will be available after the war, rayon manufacturers hope to overcome both the "silk substitute" objections of the 1920's and the "low strength" objections of the early 1940's.

Rayon producers include American Viscose Corp., E. I. du Pont de Nemours & Co., Industrial Rayon Corp., American Enka Corp., North American Rayon Corp., Tubize Rayon Corp., Celanese Corp. of America, Delaware Rayon Corp., National Rayon Co., Hartford Rayon Corp., New Bedford Rayon Corp., American Bemberg Co., United States Rayon Co., Tennessee Eastman Corp.

## III. COTTON

Cotton interests are disposed to measure the world's economic temperature in yards of new piece goods.

Last year, they figure, the United States produced about thirteen billion yards of textiles. This was slightly less than in 1942. Also, it was about two-thirds of the total world production, they estimate, because the war had paralyzed a large proportion of the foreign spindles.

Normal textile production in the United States is considered about eight billion yards. So the textile thermometer indicates the feverish activity of American wartime business.

• **Trend Has Been Down**—However, the trend has been downward since the first quarter of 1943. Restoration of the textile industry's dwindling manpower after victory, coupled with a backed-up demand for all kinds of wearing apparel



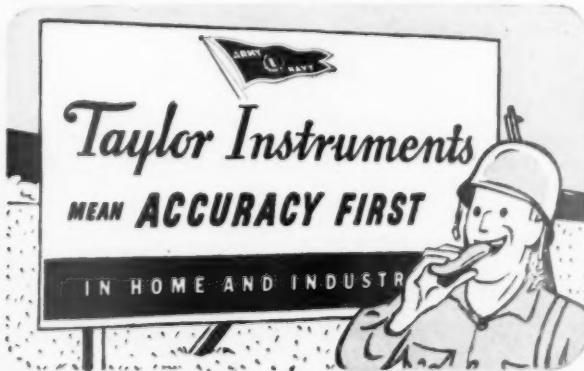
# How to save food without a Taylor Roast Meat Thermometer

Our heart goes out to the Texas lady who told us she couldn't keep house without a Taylor Roast Meat Thermometer. We agree there's no other *sure* way to make a roast come out exactly right without being either over or underdone. But until you can buy a new one after the war, there are other ways to save food:



**2 Don't make your guests eat more than they want!** If you don't like leftovers, try cooking a little less the first time! In spite of wartime shortages, American housewives threw away 19,500,000 tons of food last year, including plenty of good red points. Help make food fight for freedom by remembering that it's worth more than it costs!

**3 Don't load up on "bargains"** unless you have a cool place to store them. But—try rearranging your refrigerator once a week and you may find extra space! A Taylor refrigerator thermometer (if you can still get one) will help you keep food at the right temperature (45°). Best food-saving hint: start your Victory Garden early!



**4 Why should you save food?** So you can help hasten the day when things are plentiful for everybody—the day when you can buy not only a Taylor Roast Meat Thermometer but all the good things you've been wanting so long. So you can tell your soldier, "I'm trying to do more than just buy all the War Bonds I can!"

**5 Almost everything we make** is still going to war and war industry. But we've increased our production facilities to the point where many lower-priority industries can now get normal deliveries of Taylor Instruments. Ask your Taylor Field Engineer! Taylor Instrument Companies, Rochester, N. Y., and Toronto, Canada.



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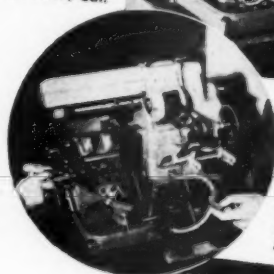
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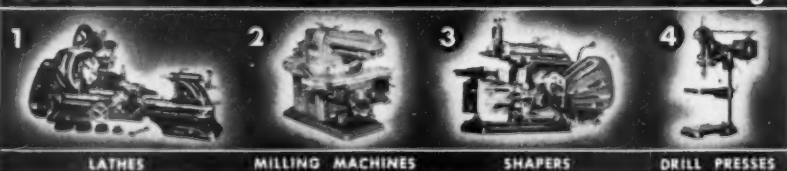
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Quick set-up at Aircraft Specialties Co., Long Island

At National School of Aeronautics, Kansas City, Mo.

## Atlas 4 TOOL TEAM for Small-Parts Machining



and other civilian textiles at home and abroad, might send production shooting up into new high territory. But the consensus seems to be that the wartime highs will remain all-time highs until the world can show an honest improvement in its general standard of living.

About 80% of United States textile production by weight is cotton. A Dept. of Agriculture survey of world fiber consumption, including fibers normally used in burlap and rope as well as in textiles, showed that cotton's share was 56.4%. Jute came next with 15%. Wool had 7.7%; flax, 7.1%; hard fibers such as abaca, cantala, henequen,istle, and sisal, 5%; rayon 4.9%; and hemp 3.4%.

This survey covered the years 1933-1937. Since then rayon has been cutting itself larger and larger slices of the textile market. But rayon volume remains a small fraction of cotton's.

● **Deep in the Economy**—Cotton directly affects the economic welfare of more Americans than any other crop or any single group of manufactured products. It is the only major crop that requires extensive processing before it is ready for sale to the ultimate consumer. Dept. of Agriculture economists say that, including 10,000,000 Americans who live on cotton farms, about 10% of the U. S. population depends upon cotton growing and cotton manufacturing, directly, for a livelihood. There are about some 500,000 cotton textile workers in U. S. mills.

Since the first bale of American cotton was exported about 150 years ago, the American growers have leaned heavily upon their foreign market. About half the American crop usually has to be sold abroad. However, in the war years 1942 and 1943, American mills fabricated cotton at the rate of about 114 million bales (478 lb. to the bale) a year. These years marked the first time in history when domestic mill consumption came within speaking distance of the cotton crop, which runs about 124 million bales a year, under the acreage restrictions imposed over the last few years.

● **Cotton and Rayon**—One of the United States' economic ills of the 1930's arose from the fact that Germany, Italy, and Japan decided to make themselves self-sufficient in fiber production, and began to restrict their imports of American cotton. At the same time, they boosted their own rayon output. This emphasized fundamental differences between cotton and rayon. Rayon is an industrial entity, an all-factory product, subject to the close controls of factory operation. Cotton has its footing in agriculture, its torso in

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**GENERAL ELECTRIC**

## REPORT TO EXECUTIVES

industry, its head in commerce, and its hands in government policy.

Until the advent of wartime government control of industry, farm production was more intimately connected with government policy in this country than was factory production. Cotton has been both rescued and tied down by the strings of government control. The cotton price, supported by government loans that guarantee 90% of a fixed equalization or parity price, has advanced from 10.2¢ a pound in 1940 to about 20.4¢ at the beginning of 1944. (The current major market price figures about 99% of parity.) Rayon prices during the same period have held about steady, and rayon staple fiber, ready for use in the mill, is about on the same level as clean cotton fiber. Cotton's principal advantage over all competition, price, is being whittled away.

However, when conditions again permit cotton planters to extend their use of mechanical cotton choppers and pickers, much lower prices for cotton may be profitable. Dept. of Agriculture economists have talked of the possibility that the production costs of the large, highly

mechanized plantations can be brought down to the point where a price of 6¢ per lb. could leave a margin of profit.

• **World Market**—At the same time, cotton seems likely to remain an export commodity. Cotton interests suggest that it would be unreasonable to expect cotton prosperity in this country without a large export market after the war.

At a postwar cotton industry conference, Lamar Fleming, Jr., a broker, simplified the outlook by speaking in terms of the cotton shirt.

"The number of foreigners who will wear shirts of American cotton," he said, "depends upon the number of them who will trade with us on a friendly basis, will need our cotton, will be able to pay for it, and will wear shirts at all."

He referred to a fact well understood in the textile trade, that standards of living govern consumption. In the United States, largest cotton-growing country, the average individual uses 52 lb. of cotton a year. In India, second largest producer, the average is 4 lb.

• **The Surplus Problem**—Surplus is a word usually associated with cotton

## U. S. Fiber Consumption Over 24 Years

(Pound Figures in Millions—000,000 Omitted)

	Cotton		Wool		Rayon		Silk		Total
	Lb.	%	Lb.	%	Lb.	%	Lb.	%	Lb.
1920	2,828.1	88.9	314.2	9.9	8.7	0.3	29.2	0.9	3,180.2
1921	2,595.3	86.5	343.4	11.4	19.8	0.7	42.3	1.4	3,000.8
1922	2,909.8	85.9	406.5	12.0	24.7	0.7	48.1	1.4	3,389.1
1923	3,120.5	86.1	422.4	11.7	32.6	0.9	47.1	1.3	3,622.6
1924	2,636.6	85.8	342.2	11.2	42.2	1.4	47.8	1.6	3,068.8
1925	3,074.7	86.6	349.9	9.9	58.3	1.6	66.0	1.9	3,548.9
1926	3,214.8	87.3	342.7	9.3	60.6	1.6	65.6	1.8	3,683.7
1927	3,587.7	87.2	354.1	8.6	100.0	2.4	71.6	1.8	4,113.4
1928	3,184.2	86.3	333.2	9.0	100.5	2.7	74.4	2.0	3,692.3
1929	3,422.7	85.5	368.1	9.2	133.4	3.3	81.0	2.0	4,005.2
1930	2,610.9	85.0	263.2	8.6	118.8	3.9	75.7	2.5	3,068.6
1931	2,656.6	82.9	311.0	9.7	159.0	5.0	77.0	2.4	3,203.6
1932	2,463.3	84.4	230.1	7.9	155.3	5.3	70.5	2.4	2,919.2
1933	3,052.5	83.7	317.1	8.7	217.3	6.0	59.5	1.6	3,646.4
1934	2,655.4	84.5	229.7	7.3	197.2	6.3	58.3	1.9	3,140.6
1935	2,754.7	78.9	417.5	11.9	258.7	7.4	62.3	1.8	3,493.2
1936	3,470.2	81.5	406.1	9.5	322.6	7.6	57.8	1.4	4,256.7
1937	3,657.1	83.1	380.8	8.7	307.9	7.0	53.6	1.2	4,399.4
1938	2,918.7	81.5	284.5	7.9	327.1	9.1	51.7	1.5	3,582.0
1939	3,629.7	80.1	396.5	8.7	458.5	10.1	47.3	1.2	4,532.0
1940	3,961.7	80.9	411.1	8.4	487.5	10.0	35.8	0.7	4,896.1
1941	5,207.2	80.5	652.2	10.1	586.0	9.0	25.0	0.4	6,470.4
1942	5,616.6	82.0	613.8	8.9	620.6	9.1	†	...	6,851.0
1943	5,236.4	80.7	600.0*	9.3	656.2	10.0	†	...	6,492.6*

Data from U. S. Dept. of Commerce, Commodity Exchange, Inc., and Textile Research Institute (Rayon Organon). Cotton figures show consumption for textile industry. Wool is reported on scoured basis, apparel and carpet classes. Rayon includes yarn and staple fiber consumption. Silk represents baled deliveries to American mills less silk re-exports from U. S.

† Not available. \* Estimated.



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The strategy of invasion calls for the complex assembly of supplies—ships, planes, machines, arms, ammunition—for the attack. America has geared its production schedules to this responsibility as a vital part of the combined effort.

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**RED CROSS WAR FUND**

growing. The carryover every year amounts to a year's crop. But the National Cotton Council points out in a statement by its president, Oscar Johnston, that the addition of a pound a year to the world's per capita use of cotton would wipe out the average excess of cotton production over consumption, and create a deficit.

In terms of postwar prosperity, this pound-a-year more of cotton appears to be a modest goal. But nobody is prepared to guarantee it will be reached. It presupposes an extension of world buying power by extending the blessings of freedom at the peace table. It also assumes that any new buying power would flow into cotton. On the contrary, it might leap toward food and disregard clothing, at least until the European mills could pick up their broken threads, and perhaps spin new ones out of rayon.

• **Lessons From History**—Those who think that cotton had better be on guard for its leadership, if not its economic life, pick some examples from history.

In the year 500 B. C., silk was the dominant textile of Chinese civilization. About that time, a Chinese emperor received a rare gift, a cotton robe. The silk interests were not exactly delighted. Chinese cultivation of cotton for spinning and weaving didn't gain much headway for the next 2,000 years, because the vested interests were vested in silk.

Then there were the British silk and wool manufacturing interests, which began and benefited from the industrial revolution in England in the 18th century. They fought a delaying action against cotton which reached a climax in restrictive calico laws, the last of which were left on the statute books until 1831.

• **New Uses Sought**—Cotton now fights a delaying action against rayon and the other synthetics. Some cotton men believe their only logical strategy lies not in new lines of government policy, but rather in the improvement of cotton's usefulness in combination with plastic coatings and various other innovations that promise new markets, and in fundamental research aimed at continuing discoveries of other new markets. Such a course, they contend, would leave room for the expansion of all textiles.

War has proved to be a powerful stimulant to cotton research. It also has speeded up the adoption of new processes and finishes.

• **Beneficiary of War**—As the volume leader, cotton has been the chief beneficiary of wartime textile developments. In the tropics, American soldiers wear lightweight, easily washable cotton

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## REPORT TO EXECUTIVES

clothing, and cotton canvas shoes. In the arctic, they wear tightly woven cotton garments over garments made of animal fiber. They use rubberized cotton canvas pontoons and lifeboats. A jeep can cross rivers on a rubberized canvas raft.

A flying version of the canvas tent is the panzer hangar. It has a tubular steel framework and a covering of cotton duck, proofed against gasoline, oil, water, wind, and dust. Set up, it protects mechanics from the weather. A panzer hangar weighs 2,800 lb. It can be stowed away and carried in the bomber it shelters.

• **Strength Does It**—Cotton is a strong fiber. Its experts say that diameter for diameter, cotton filaments are stronger than some kinds of steel. When a cotton thread is broken, few of its tiny filaments are ruptured, most of them are pulled apart.

Because of its strength and launderability, cotton figures to hold its place as the dominant fiber for some time to come. For men's and women's washable apparel, and for such household items as sheets and towels, cotton has not been challenged successfully so far.

• **New Cotton Technology**—Against rayon in tire fabric, cotton may be able to show a more favorable price-performance ratio, at least in passenger car tires. Tire cord manufacturers—Bibb Manufacturing Co., among others—have utilized mechanical manipulation and wet spinning to produce smaller-diameter, higher-density cord that resists flexing and, therefore, is claimed to run at lower temperatures than ordinary cotton cord, when combined with rubber in tire fabric.

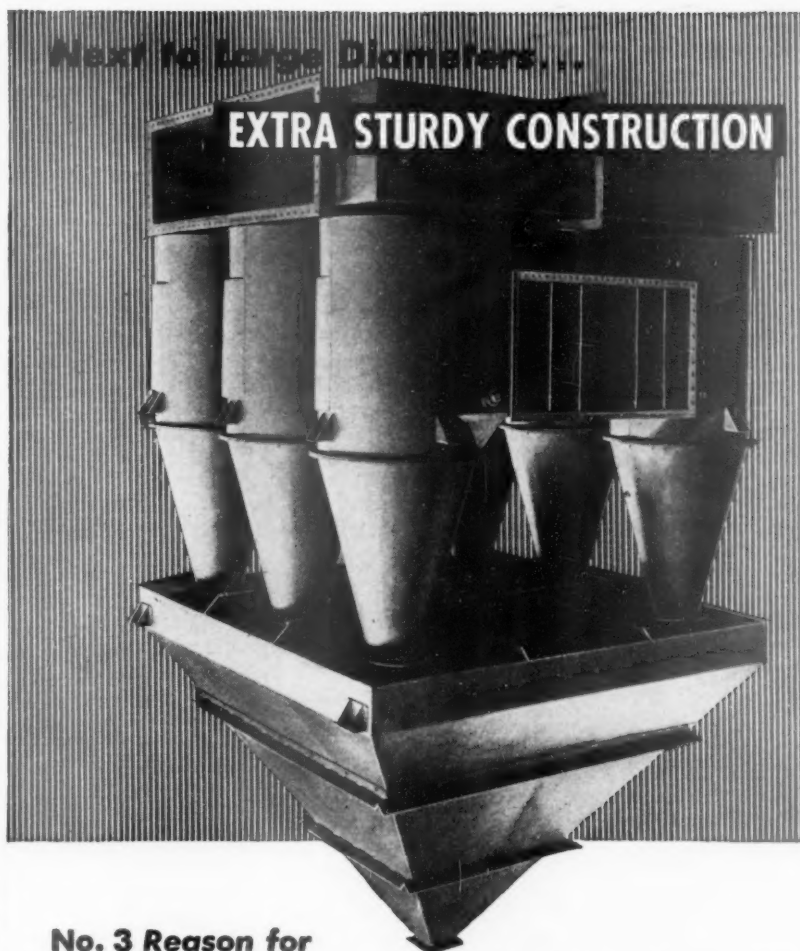
To replace the volume that it may lose to rayon and other synthetics, cotton is seeking new large tonnage applications. Fuller E. Callaway, president of Callaway Mills, suggests that cotton has a large new market in the demand for fabrics to reinforce plastics. Some cotton men believe such new uses will cancel any losses to rayon in tire cord.

Most cotton fibers range in length from  $\frac{3}{4}$  of an inch to  $1\frac{1}{4}$  inches. Prices of raw cotton are based on the middling grade (grade is based on cleanliness) of 15/16 in. staple length. Long-staple cotton makes stronger fabric, in relation to weight, than short-staple. Long-staple brings a premium; short-staple, a price penalty.

• **What About Short-Staple?**—An important question in the trade is what to do with a domestic surplus of short-staple cotton. One estimate places the carryover of short-staple at 3,786,000 bales, not including the 1943 crop, and a good deal of the short-staple carryover

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is five years old. Possibilities, some of them beyond the experimental state, include bag fabric; cheap fabric base for asphalt to line drainage and irrigation ditches, and for use in mats under concrete roadbeds; reinforcing nets for concrete pipe; cheap cloth for curing concrete; and, after fireproofing and vermin-proofing, building insulating material.

If commercially feasible ways to use the short-staple surplus are discovered, there may be an early postwar expansion in the number of spindles devoted to it. This would reverse a long-term trend. Both the number of cotton spindles and cotton acreage reached a peak in the middle 1920's. Mill and farm productive capacity, however, are close to all-time highs because of improved techniques and multiple-shift operation of the mills, and through better crop methods on the farms which have resulted in average yields for all U. S. cotton farms approximating 275 lb. per acre.

• **Industrial Textiles**—Partly because the war has limited imports of hemp and jute, present demands for cotton bags and cotton cordage and twine exceed the supply. In the last peacetime year, 1939, about 460,000 bales of cotton went into bags, and about 400,000 bales into cordage and twine. Other important industrial uses include wire insulation, fabric for artificial leather, belting, and tarpaulins.

After the war, of course, hemp and jute may regain their former markets. And as for bags and containers, some experts think paper will be cotton's most formidable postwar competitor.

In sizing up their postwar future, cotton textile men have an eye on the rising labor costs of what has been traditionally a low-pay industry. In July, 1933, according to U. S. Labor Dept. figures cited by the textile unions, southern cotton textile wages averaged 20.5¢ an hour. Northern cotton mills paid an average of 27.6¢. In September, 1943, the southern cotton average had been boosted to 57.3¢; that of northern mills, to 71.1¢. The unions are pressing for further increases and driving to wipe out the southern differential.

• **Foreign Competition**—Cotton textile manufacturers, mindful of these wage demands, express concern about postwar competition from older branches of the industry in foreign countries. They argue that U. S. mills pay about 50% above the world market for raw cotton, and that their wage scale is from 100% to 1,000% higher than those of competing countries. Continued tariff protection, according to Dr. Claudius T. Murchison, president of the Cotton Textile Institute, is needed by all domestic textile manufacturers.

#### IV. WOOL

Wool went to war in the midst of a psychology of scarcity. It will come out of the war feeling the pains of a surplus.

• **Swing With the War**—Wool was one of the first commodities to experience the inflationary effects of war demands. Woolens—the fuzzier fabrics—and worsteds—the smoother, harder kind—were sought eagerly by civilians who had

been frightened out of their budgets by reports that the Army and Navy, Defense Supplies Corp., and the British government were buying all the wool they could get their hands on.

This situation has been reversed. Wool growers complain that, unless the government continues to buy all domestic offerings at ceiling prices, American sheep breeders will be bankrupt. Growers also worry about storage space for their 1944 clip.

• **Bag of Wool**—In 1943, domestic production, including both clipped and pulled wool, from slaughtered sheep, totaled about 475,000,000 lb. of grease wool, the American Wool Council reports. (Wool loses about 40% of its weight in scouring.)

Commodity Credit Corp. agreed to buy all 1943 wool at ceiling prices. It was holding the bag with an estimated 230,000,000 lb. grease basis, unsold at the beginning of this year.

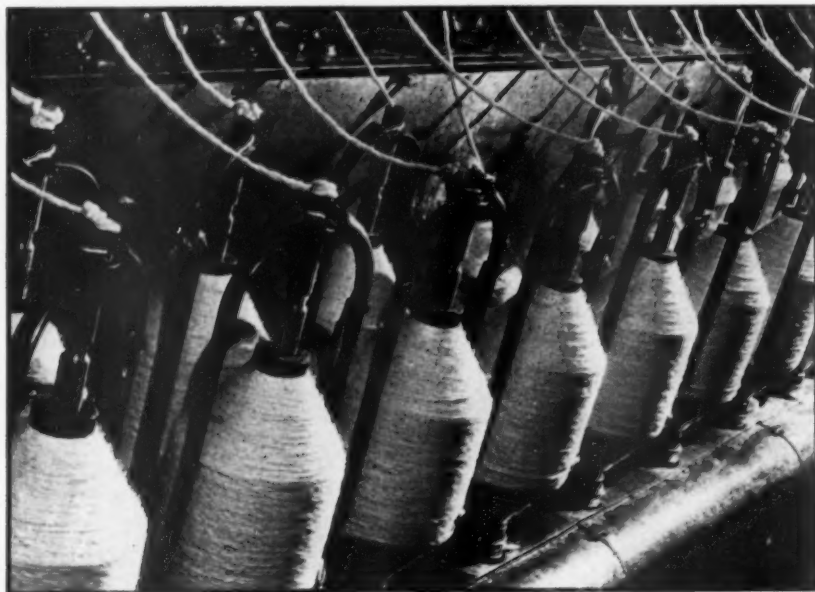
Defense Supplies Corp., in addition to this, owned about 330,000,000 lb. of British Australasian grease wool, according to recent trade reports, and had a contingent interest in another 450,000,000 lb. on which the British government had first claim.

• **Postwar Worry**—Thus, a surplus equal to two years' domestic production is a black cloud on the wool growers' horizon. But, in building up this surplus, the government had sound reasons to believe it was prudent rather than profligate. There was danger early in the war that both the South Pacific and the South Atlantic would be closed to our merchant marine. The big wool supply was brought in to forestall any shortage in the course of a long war.

American growers have another complaint. They say that the British, by controlling such a large surplus stock in this country, dominate our market. The landed price for clean-content British wool has been fixed by the British at \$1.05 to \$1.07 per lb. This undersells the American ceiling of \$1.18. Furthermore, Office of Price Administration ceiling prices for civilian goods are based on lowest cost raw materials.

• **A Reputation to Bank On**—Manufacturers of woolen, worsted, and mohair (from Angora goats) fabrics are not alarmed. Their machinery can handle British wool, rayon or other synthetic fibers, as well as domestic wool. An historic complaint has been that their raw material fluctuates in price, high in years when a short domestic crop makes the tariff effective (27¢ per lb. on scoured wool), low in years of plentiful domestic wool.

Wool's stronghold is the buying public's respect for this fiber, based on ex-



Spindles in a cotton mill during an early stage of cotton spinning. Fiber that is spun for weaving purposes is known as "yarn" in the textile industry.



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perience. "All wool and a yard wide" represents an attitude of mind that urges to withstand considerable sales promotion in behalf of competing fibers. Technical men say that wool is the best of all fibers, crinkly and springy, and that it has not yet been duplicated in all its properties, by competing synthetics.

Wool stands toward the top of the price scale. If it stays there, it may be able to increase its share of the textile market, or even to hold its share as a virtual equal in volume with rayon. Its worst fate, in the eyes of wool producers, would be to fall to the status of a secondary blending fiber.

### V. SILK AND LINEN

Silk and linen are textile fibers that seem to be assured a secure market in the luxury trade for some time to come.

Who may supply this market turns on the conditions of peace. Japan was the leading silk exporter before the war. A large proportion of our linen imports came from Russia, Belgium, and Ireland.

Because the war has frozen normal channels of foreign trade, raw silk production and fine linen weaving may have seemed to offer wide open opportunities for American capital during the last two years. But the certainty of low-cost foreign competition after the war has been an effective deterrent to American enterprise.

• **Experiments to Watch**—Domestic production of fiber flax in Oregon is used in the coarser yarns, fishing line, shoe strings, fine paper, and coarse linen fabrics. But most of the domestic flax is grown for seed. The short fibers of seed flax are not usually considered worth harvesting, but are now being used as pulp for cigarette paper, and experiments have been under way, particularly at Georgia Institute of Technology, to find other possible commercial uses. One possibility is bagging to compete with burlap.

### VI. PROTEIN FIBERS

Aralac is the name of a wool-like protein fiber developed by Atlantic Research Assn., Inc., and manufactured from the casein of milk by Aralac, Inc., a subsidiary of National Dairy Products Corp.

It has been accepted for use in blended fabrics, in connection with cotton, wool, and rayon. Its makers say it can be used by any of the four different spinning systems, cotton, woollen, worsted, and silk.

Aralac also is useful in felt making.

Your felt hat most likely contains about 5% of this fiber spun from milk.

• **Hit by Shortage**—Although Aralac admittedly does not duplicate all the properties of wool, having less moisture-resistance, for example, it has other properties of its own, such as blendability, and its price of 64¢ per lb. is about 45% lower than that of wool. Development of Aralac has been curtailed by a wartime shortage of casein, which explains the casein limitation of 8,000,000 lb. for Aralac fiber last year.

Production of another protein fiber, from soybeans, was announced early this year by the Drackett Co. of Cincinnati. After soybean experiments dating back to 1936, Drackett took up "Soylon" where Henry Ford left off. It purchased Ford's soybean production machinery and processes and engaged Robert Boyer, previously a Ford technician, as director of research.

• **Zein—From Corn**—Zein is a natural plastic extracted from corn (BW—Feb. 12'44, p50), especially interesting to industrial chemists because it is the only commercially available protein that is soluble in alcohol. It has been under development the last few years by Corn Products Refining Co.

To date its usefulness has been chiefly as a wartime replacement for shellac, a natural resin exuded by insects and gathered by hand labor in India. Zein has been made commercially into film of various kinds, and its developers point out that anything that makes a film will make a fiber. Zein fiber, made



Cards, punched out in a given pattern, control the lifting of warp threads in proper sequence to follow complex designs in the weaving of figured fabrics on Jacquard looms.



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only in the laboratory, so far, is claimed to be a closer relative of wool, chemically speaking, than any other member of the protein fiber group.

• **Laboratory Job**—Chemists are well acquainted with processes to regenerate various protein fibers from many other vegetable and animal raw materials. Development of any of them into a marketable product, however, usually involves long, expensive work. At present such development is held back by restrictions on materials and processing equipment.

As each new synthetic graduates into commercial production, however, it may be expected to have one notable advantage in common with other synthetics—controllability of its properties to suit the customers.

### VII. SARAN

Saran is a thermoplastic resin made by Dow Chemical Co. It is converted into filaments and fabrics under the original name by National Plastics Co., under the name "Velon" by a unit of Firestone Tire & Rubber Co., and under the name Permalon by Pierce Plastics, Inc. Saran is known to chemists as a vinylidene chloride resin, derived from ethylene, a petroleum product, and chlorine, extracted from brine by electricity. Its polymerization, or linking of molecules, may be controlled to produce plastics that range from the flexible and soluble kinds to those that are hard, tough, and insoluble.

• **Two Promising Fields**—Saran filament is only about three years old, but it appears to have staked out a successful career for itself in at least two fields: window screening and upholstery fabrics.

The Army has found Saran screen superior to bronze in resisting corrosion, salt water, and other natural hazards in regions where screens are needed against malaria-bearing mosquitoes. At present this plastic is more expensive than bronze (90% copper, 10% tin), but Firestone expects its Velon to compete with bronze screen on even price terms, or better, in the postwar market.

• **Has a Waiting List**—Saran screen is exceptionally strong, is easily stitched to a tent, and conveniently rolled up with the canvas when the tent is moved. It doesn't sag after being pushed around. A favorite trick of demonstrators is to punch a pencil point through the screen, then take the same pencil or a nail file and push the plastic strands back into their original pattern, undamaged.

As an upholstery fabric, Saran has accumulated a waiting list that includes railroads, bus companies, commercial and home furniture builders, and auto-



Postwar automobile upholstery that can be cleaned with a damp cloth and will wear as long as the car is promised by Dow Chemical Co. Saran, trade name for the synthetic resin from which it is made, is in military demand for window screening. Firestone, which extrudes this material into filaments it calls Velon, expects its product to be competitive with nylon in many applications.

mobile manufacturers. Saran upholstery is stainless, it resists both acids and alkalis, and is nonflammable. It does not become frayed or threadbare, and is said to outlast the vehicle or piece of furniture on which it is used. Its colors are claimed to be permanent, sunfast, and unaffected by water and cleaning fluids.

• **Aiming Higher**—In both screens and upholstery, Saran is used in relatively heavy, relatively stiff filaments. But the postwar planning for this fiber is aimed also at the field of fine fabrics.

Velon will compete with nylon and rayon for the women's hosiery business, Firestone officials say, and they are speaking about the sheerest kind of textures. It also is expected to be a competitor of nylon and rayon in such applications as draperies, dress goods, underwear, shoe fabric, dress accessories, and luggage.

Dow technicians say that Saran should not be considered as a substitute for other materials, nor as a miracle fiber for all purposes, any more than should cotton, wool, rayon, or the others. Saran's stiffness and nonabsorbent qualities,

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## REPORT TO EXECUTIVES

they observe, suit it to some products but unsuit it "for many common textile uses."

• **Price Questions**—In yarn form, Saran sold before the war at a variety of prices depending upon fineness (finest kinds are 0.007 in. in diameter). The range was from about \$1 to \$3 a pound. Prices are expected to come down as production goes up. Saran processors point out that 22 years ago, rayon yarn was \$4.50 per lb.

## VIII. VINYON

Vinyon is a member of another family of true synthetics, of the thermoplastic variety. It is extruded and spun by American Viscose Corp., from Vinylic resin formulated by Carbide & Carbon Chemicals Corp.

Chemically it is a vinyl resin, a copolymer of vinyl chloride and vinyl acetate. • **Strong When Wet**—Exceptionally strong, and unaffected by water, Vinyon has been used widely as an insulating material. Unlike rayon, its wet strength is equal to its dry strength.

Blended with cotton, wool, or rayon, it makes a fabric that holds a pressed-in shape, fold, or pleat.

Vinyon will be available after the war for such uses as waterproof clothing, acid- and alkali-resistant clothing, fire-resistant awnings and curtains, upholstery, fusible shape-retaining fabrics and hosiery, filter fabrics, fish lines, nets, scines, shower curtains, and bathing suits. It also has been used experimentally in combination with nonfusing fibers to make a pile fabric that is put together by fusion of the Vinyon rather than by weaving on a standard loom.

• **An Elastic Type**—Vinyon softens at temperatures above 150F., and may begin to shrink in an overheated room. This property has put some limits on its usefulness. But its tensile strength and elasticity can be controlled, within limits, by manufacturing processes.

Prices of Vinyon yarn recently have ranged around \$1.35 to \$1.45 per lb.

## IX. OTHER RESINS

Recent announcement by B. F. Goodrich Co. of its new group of resins, under the trade name Geon, emphasizes the fact that many specialized synthetics, suitable for extrusion into fibers, will be available to postwar industry. Geon is offered as a raw material for molding, extruding, calendering, coating, and film casting.

V-film, a new entry in the packaging field by Goodyear Tire & Rubber Co., is another polyvinyl chloride resin. It supplements Goodyear's Pliofilm, a rub-



ber hydrochloride now under wartime allocation for engine wrapping.

• **New Competitive Patterns**—Thus the rubber companies, the chemical manufacturers, the plastics industry, and the textile industry are building up a new pattern of competition and business relationships. Each is working, more or less, in the other fellow's back-yard.

Competition has been and will be keen in the market for coated fabrics, particularly the water-repellent and the leather-like materials. A cotton and plastic combination, or extruded and woven plastics alone, are adaptable for footwear, luggage, bookbinding, upholstery, and many other uses.

## X. ELASTICS

Vinyon-E, the elastic member of its family, was first adopted by the Army for making Wac panties. Recently it has been useful in making elastic bandages. Body heat, it is explained, helps maintain the necessary tension.

• **Postwar Rivals**—The market for elastic yarn, paced by United States Rubber Co.'s Lastex before the war, was thrown into a confusion of synthetics and substitutes by the rubber shortage. Out of intensive laboratory efforts to find acceptable fibers having what the technical men call reversible extensibility is coming a postwar rivalry of synthetic elastics, aimed at girdles, underwear, and all kinds of snug-fitting garments.

Some manufacturers, the Office of Rubber Director reports, have learned to use GR-S (synthetic tire rubber) for impregnating yarn.

## XI. MINERAL FIBERS

Another group bidding for a share in the postwar market for specialized fabrics consists of fibers that are neither vegetable, nor animal, nor synthetic. They are mineral.

One of the most useful is asbestos, widely applied by industry where fire-proof qualities are important.

• **Glass as a Fiber**—Another mineral fiber is glass. It is spun into fine filaments, or Fiberglas, from melting glass spheres the size of marbles by Owens-Corning Fiberglas Corp. of Toledo. Fiberglas absorbs no moisture.

Just recently, fireproof drapery fabrics in a variety of designs and colors for ships and hotels and other public places have been woven with Fiberglas as the warp and asbestos as the filling.

The insulating properties of Fiberglas have been well demonstrated. The weight of a 10-hp. motor, for example, has been reduced 170 lb. by the use of Fiberglas insulation. In such applica-



## How a heater makes a troop ship "slippery as an eel"

**YOU** may know how hard it is to steer your automobile in sub zero weather when the grease in the steering gear stiffens. Imagine then what it must be like to steer a great troop ship in arctic weather when the lubricants in the steering apparatus start stiffening up! Stiff lubricants cause difficult steering . . . make ships clumsy . . . make them better targets for Axis "tin fish."

That's why in many of our vessels, a Trane Unit Heater has been installed in the space housing the steering mechanism. This unit provides sufficient heat to the lubricant for *perfect* steering operation, and sensitive control from the bridge. Gives a vessel a maneuverability, an eel-like elusiveness that may mean the difference between life and death.

These Trane Unit Heaters used on ships are identical with those that are now heating hundreds of war plants and army camps. And this same type of heater will be available for garages, store buildings, and warehouses once the war is won.

They are but one of the many products of The Trane Company, manufacturing engineers of heat exchange equipment for heating, cooling, and air handling purposes. Today Trane products are utilizing the principle of heat exchange . . . in many entirely new applications to win the war; tomorrow they will make a better peace-time world.



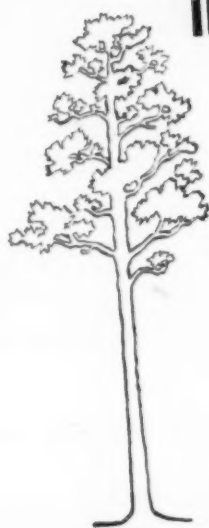
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# NORTH CAROLINA

tions, Fiberglas is made into tapes, braids, and cloths, and treated with an impregnant. This insulation takes less space than the older kinds, thus reducing frame size and weight.

• **In Chemical Industry**—Fiberglas filter cloth has been widely utilized in chemical manufacturing. It is unaffected by acids, except hydrofluoric, and can be exposed to higher temperatures, Owens-Corning claims, than asbestos or any filter cloth made of organic material.

Because of its heat resistance, Fiberglas is used in the parachute flares used in night bombing. A Fiberglas shade above each flare protects the bomber crew against the blinding effect of its 1,000,000 candlepower burst.

Another important use is to reinforce plastics for structural applications. In aircraft construction, Owens-Corning asserts, Fiberglas-reinforced plastics can be molded into difficult shapes without the use of either high pressures or expensive molds.

## XII. FINISHES

While some industrial chemists are developing new synthetic fibers, others are expanding the usefulness of older fibers and fabrics by means of new finishing processes.

• **War Widens Uses**—The war has stimulated further development of such well-established treatments as waterproofing with coatings and impregnations of rubber and plastics. The war also has stimulated the discovery of new processes that protect fabrics against mildew, fire, insects, germs, and vermin.

One Army specification for duck used outdoors requires it to be fire-resistant, water-resistant, mildew-resistant, and at the same time more resistant to wear than untreated canvas.

• **For Flameproofing**—Textile World, a McGraw-Hill publication, gives this typical formula for flameproofing heavy cotton fabrics for Army use: 16% chlorinated paraffin wax, 12% synthetic resin, 2% plasticizer, 15% metallic oxide pigments, 15% olive drab composite, and 40% volatile organic solvent.

Pickup of the mixture, which adds 45% to 50% to the weight of the fabric, is carefully controlled by solvent percentage, pressure of the squeeze rolls before drying, and other variables.

• **Protective Tongue-Twisters**—Mildew-proofing is accomplished with a wide variety of chemical mixtures, which must be poisonous to the spores which produce mold or fungus. Names of these toxic agents include such tongue-twisters as 2, 2-dihydroxy-5, 5-dichlorodiphenyl-methane, zinc dimethyl dithiocarbonate, amino-guaiacol benzo-thiazole

## REPORT TO EXECUTIVES

imino-urea, and such relatively simple terms as copper oleate and phenyl mercury oleate.

In the tropics, for example, the Army found that not only its canvas tents, but also such things as sandbags had to be proofed against mildew, which sometimes destroyed untreated fabrics within a week.

Cotton, as the volume leader, has been the chief beneficiary of these proofing treatments. Cotton batting, for example, may be treated with borax for fireproofing and vermin-proofing and used as building insulation (BW—Jan. 15'44.p74). But the industry has found that not only cotton, but also the other natural fibers and the synthetics can be adapted to extraordinary conditions and protected against ordinary wear by special finishes.

• **Finishes for Cotton**—The Cotton Textile Institute, Inc., 320 Broadway, N. Y., has a printed list of cotton fabric finishes available to the trade. It includes, in addition to the proofing treatments mentioned, others to make cotton more absorbent, to resist alkali and acids, to repel termites and other insects, to make sheer fabrics crease-resistant, to produce a finish resembling fur, to produce "a durable starchless crisp finish," to produce linen-like or silk-like finishes, to resist perspiration odor, to resist spots and stains, to produce a leather-like fabric, to prevent curling, to absorb tarnishing agents in the air (linings for silver chests), to increase wear, to make fabrics take dyes and printing more readily, to prevent fraying, and to produce fluorescent and phosphorescent finishes.

The more optimistic textile manufacturers say that such finishes are only the beginning of a bright new world of fabrics that are to be engineered and tailored to fit the growing demands of peace and prosperity.

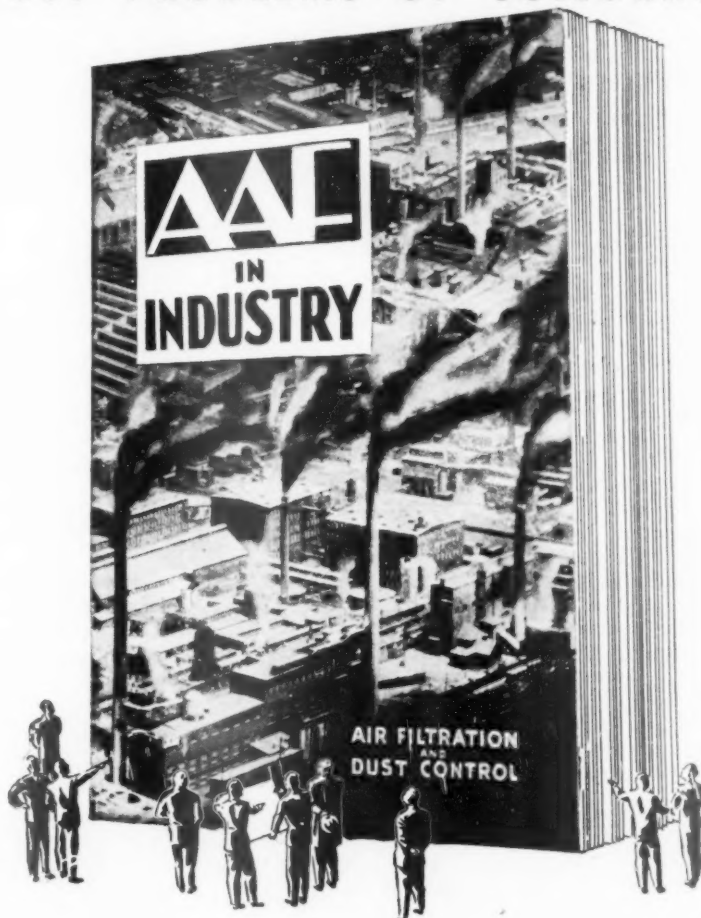
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# PRODUCTION

## War on Odors

Substitutes for peacetime products pose new problems, and new deodorants have been developed to lick them.

There's nothing confidential about the fact that some of the new war substitute products smell bad, even the good ones. Eliminating or toning down the objectionable odors has boomed the aromatic chemical business.

• **Problems With Rubber**—The most publicized new war product, synthetic rubber, has been the biggest de-smelling problem of the deodorant and reodorant industry. In their laboratory stage and first manufacture, most of the synthetics had a terrific odor.

Givaudan-Delawanna, Inc., outstanding firm in the industrial deodorant and reodorant field, has now developed special rubber deodorizers called Paradors for the various synthetics. These are effective in concentrations as low as 0.1% (BW—Jun. 1943, p84).

• **Army Is Too Busy**—The government has not been too choosy about the smell of the rubber it uses—pleasing

G.I. noses is not one of the things on Uncle Sam's agenda—and production of rubber war products has gone ahead rapidly.

But production of civilian rubber goods has been contingent in part on licking the odor problem. Makers of synthetic rubber threads have apparently believed that no matter how much women complained about no-way stretch girdles, they would not take to malodorous synthetics.

• **Special Applications**—Synthetics such as Hycar, Neoprene, and Buna-N, which are adaptable to specialized applications, have their own aroma, and sometimes ingredients which must be added for special products present an additional odor problem. In addition to the Paradors, Givaudan has developed a series of odors for Neoprene latex, effective in concentrations of 0.05% and 0.10%. All the products are miscible with natural latex.

In the textile industry, oxidizable vegetable oil polymers are being used to replace rubber-coated fabrics. Resin-coating has given rise to the use of new plasticizers, some of which have pronounced odors that persist in the finished article unless deodorants are used. Tex-o-dor is a deodorant developed by Givaudan to kill the smell of poorer

quality finishing oils that are being used during the war emergency.

• **To Combat Mildew**—Givaudan's Compound G-4 is not a deodorant but an antimildew agent. U. S. Quartermaster Corps is using it for jungle hammocks, mosquito netting, and balloon cloth to protect soldiers fighting in the tropics. Large peacetime uses in household goods are anticipated.

Paint reodorants have long since been developed by aromatic chemists to cut down the headaches of moving day and other days when fresh paint is around the house. War substitute lacquer-thinners, paint removers, and similar products made from solvents having a more pronounced odor than those used in prewar days tended to make the redecoration day fumes even more irritating than they were before. The established method of overcoming paint smells—using a scent to kill an odor—is being applied to the new mixtures.

• **Other Wartime Uses**—Cleaning compounds, glue, and insecticides are other products which posed problems when war substitute materials were first used. Now they are more socially acceptable because of the addition of deodorants.

## FROM POTABLES TO EDIBLES

When they converted their facilities to full-time production of war alcohol, liquor manufacturers had no difficulty finding use for their distilling equipment, but bottling departments in many



## BUILT ON THE FLY

To build its quota of more than 100,000 planes this year, the aircraft industry is developing every possible

production shortcut. Now, Consolidated Vultee, San Diego, Calif., claims the first continuously moving assembly line for planes. B-24 Liberator bombers on it travel down one

side of the plant (above) and back the other side on small rail cars while workers make their installations as they ride. The cars are coupled together in trains pulled by draglines.

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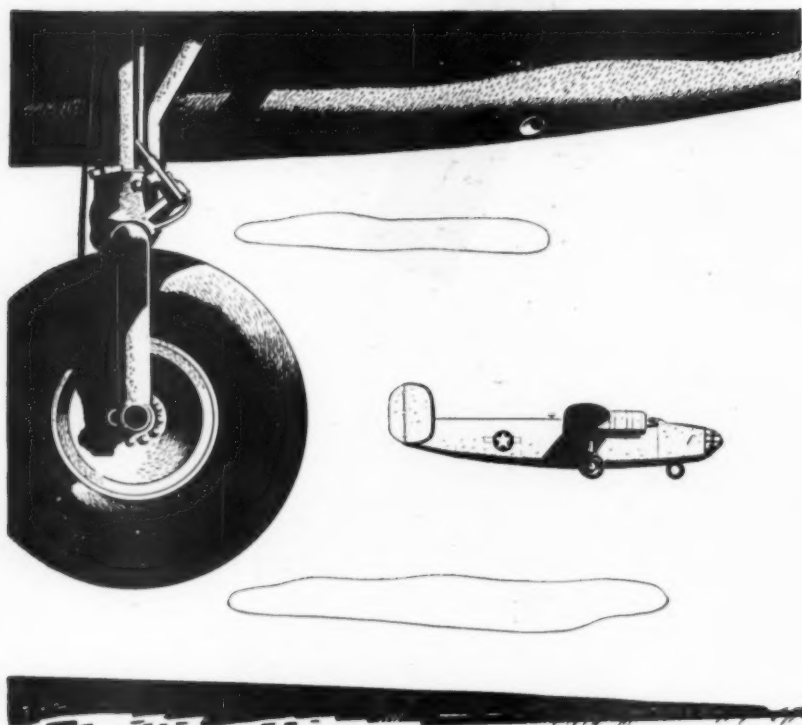
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## Profit by Follansbee's pre-forged aircraft quality steels

An important aircraft equipment manufacturer says, "Our tests show your steel to be the highest quality for aircraft service . . . we are approving your basic open hearth steel, aircraft quality, as an alternate for standard electric furnace steel of aircraft quality."

Follansbee alloy steels are winning such recognition through the exclusive PRE-Forging process—the pressing of ingots into blooms or billets, resulting in a more homogeneous structure than rolling can impart. Small basic open hearth furnaces under close, skillful control is another important factor.

For the tough jobs of today and tomorrow which call for high quality alloy steels, you can profit by specifying Follansbee PRE-Forged steel.

### FOLLANSBEE STEEL CORPORATION

GENERAL OFFICES • PITTSBURGH 30, PA.



*Sales Offices*—New York, Rochester, Cleveland, Detroit, Milwaukee.  
*Sales Agents*—Chicago, St. Louis, Nashville, Los Angeles; Toronto and Montreal, Canada. *Plants*—Toronto, Ohio and Follansbee, W. Va.

ALLOY BLOOMS, BILLETS, BARS, SHEETS & STRIP • COLD ROLLED SHEETS & STRIP  
POLISHED BLUE SHEETS • ELECTRICAL SHEETS & STRIP • SEAMLESS TERNE ROLL ROOFING

J-8232

cases were left to gather cobwebs for the duration.

Hiram Walker & Sons, Inc., however, grew impatient at the idleness of its bottling facilities at Peoria, Ill. Last week, Walker was able to disclose that part of the bottling department is being converted for the packaging of Army "K" rations for the Quartermaster Corps.

The conversion not only fills a production gap for the Army, but also affords employment for many of the former employees of the Walker distillery.

## No Freon Worry

Postwar uses expected to absorb 3,000,000-lb. monthly increase of refrigerant output by two new du Pont plants.

When WPB announced construction of two new Freon refrigerant plants Feb. 16 (capacity 3,000,000 lb. a month), it wasn't worrying about what can be done with such a big capacity after the war.

• **New Postwar Uses**—Air conditioning, refrigerators, and new insecticides are expected to use up all that will be available. Prewar use of the refrigerant was 1,000,000 lb. a month.

An addition to the Deepwater (N.J.) plant of du Pont's Kinetic Chemicals, Inc., will begin operation Apr. 1 and add 1,000,000 lb. a month to the firm's present 1,800,000-lb. output. The company's other plant will be in East Chicago, Ind., and is expected to make 2,000,000 lb. a month beginning Sept. 1. Defense Plant Corp. is putting up part of the money.

• **Valued as Insecticide**—There are four kinds of Freon in use. F12 is cheapest and most common.

It cools domestic refrigerators and, when mixed with powdered pyrethrum flowers, is an insecticidal spray that civilians cannot buy, but which is making life a lot healthier and safer for U. S. service men.

Nontoxic to man and nonflammable, it is used to kill mosquitoes in trans-ocean airplanes that might import diseases into the U. S. or into bases abroad. It checks the spread of malaria in Pacific islands, and it kills flies in North Africa.

• **Widely Used at Sea**—The Navy, the Maritime Commission, and the Army are now using most of the Freon produced. Many ships are entirely refrigerated to carry specific cargoes, others simply for food storage. Since it's unlikely that the expanded U. S. merchant marine will be entirely junked after this war, ship use of Freon won't suddenly slump when peace returns.



## NEW PRODUCTS

### Safe Chromium Plating

Two characteristics of "Skalite," a new chromium plating salt which utilizes a trivalent form of the metal, are said to be shown in the photograph: (1) It is "nonpoisonous," hence can be handled in the bare hand; (2) only one-fifth the quantity of the salt in the gloved hand is required for a given plating job.

Patents are pending on the new formulation which is the basis of the Warner plating process developed by the Warner Laboratories, 360 N. Michigan



Ave., Chicago 1. Claims for the process include: lower costs of plant and operation ("time, electrical energy, and salts required are only 20%" of former processes); plating is "more uniform, thicker, denser, and more resistant to the action of salt water"; special contour anodes are not required for plating intricate objects; the Skalite bath being nonpoisonous, "chromium plating is removed from the hazardous occupation classification—with attendant savings in liability insurance."

### X-Ray Analyzer

Operation of the new Norelco X-Ray Diffraction Unit is said to be so simple that "unskilled operators can be trained quickly for general control work" on the composition of metals and other materials, the degree of heat treatment of metals, the orientation of grain structure, and so on. Thus it is believed by the manufacturer, North American Philips Co., Inc., 100 E. 42 St., New York 17, that the instrument will become a tool both for the control of production and for research.

The diffraction patterns of four specimens can be established and photographed at once by X-rays produced in a single four-windowed tube which is inclosed in the central tower. The size of the two smaller cameras at the left of the tower is so calculated that 1 mm. of distance between diffraction lines on



## What the product designer learned from the hen

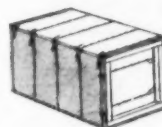
"The lowly hen," said a famous product designer, "sees to it that the container is part of the product. It is a very wisething for her to do. And we can benefit by doing likewise."

While that was a keen observation, it is just what many designers and manufacturers have been doing for years. General Box engineered containers are functional parts of many products, from the production line to the point of use or installation. They are used on assembly lines to speed production... in some plants to reduce assembly time... by other concerns to lower delivered costs.

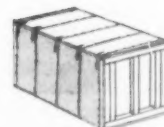
If your plans for reconversion do not include a container that is part of your product it will pay you to get the facts—to find out how you, too, can get the competitive advantages which General Box Company containers afford. Write today.

#### Redesigning one part of a product to lower the cost of another:

A large manufacturer of home appliances redesigned his product, adding twenty-three cents to its cost. By doing so, the container provided better support and protection for the appliance while in transit and storage—AND REDESIGNING THE PRODUCT LOWERED THE COST OF THE GENERAL BOX COMPANY CONTAINER BY SEVENTY-NINE CENTS.



General All-Around Box



General Rock Fastener Box

#### ENGINEERED SHIPPING CONTAINERS

### General BOX COMPANY

GENERAL OFFICES: 502 No. Dearborn St., Chicago, Ill.

DISTRICT OFFICES AND PLANTS: Brooklyn, Cincinnati, Detroit, East St. Louis, Kansas City, Louisville, Milwaukee, New Orleans, Sheboygan, Winchendon.

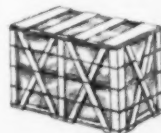
Continental Box Company, Inc.: Houston, Dallas.



General Nailed Box




General Kieled Fibreboard Container



General Wirebound Crate

★



at Reliance Pattern Works, Chicago...

**SKILSAW TOOLS**  
are Preferred for  
Precision on Wood  
and Metal!

● In making patterns and dies for vital War Production, Reliance sets itself two tough goals: *speed and perfection!* And Reliance achieves those goals with SKILSAW TOOLS! They're designed for the lightness and perfect balance that mean easy handling and accurate work. They're built to rigid standards that insure constant precision. And SKILSAW TOOLS are extra powered for extra output on every job!

Ask now for a demonstration of SKILSAW TOOLS in your own plant. See for yourself just how these SKILSAW TOOLS produce a craftsman's results at Wartime speed. Phone your distributor.

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Skilsaw Tools are sold by leading distributors of hardware and industrial supplies



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BENCH GRINDERS  
BLOWERS  
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**SKILSAW**  
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**TOOLS**

MAKE AMERICA'S HANDS  
MORE PRODUCTIVE!

★ their photographic films corresponds to 1 deg. of Bragg angle, a unit of diffraction measurement. The two larger cameras produce films whereon 1 mm. of gap between lines corresponds to 0.5 deg. of Bragg angle.

Six types of X-ray tubes are provided, giving the following kinds of radiation:



tungsten, molybdenum, cobalt, iron, chromium, and copper (each providing a different wavelength to produce different Bragg angles for different classes of material and types of analysis). The tubes, which have electrical contacts similar to those on some automobile lights, can be changed in less than five minutes by removing and replacing four screws.

## Depth Gage

A standard micrometer caliper for measuring external dimensions can, in a manner of speaking, be transformed into a precision depth gage with an inexpensive "Gauge-Master," patented new product of L. H. Harvey Associates, 254 First Avenue N., Minneapolis. As a matter of fact, the "mike" is not transformed, but rather used to set the length of a quickly adjustable pin in the little vest-pocket-size device.

Set with a 1-in. mike, it will measure depths down to  $\frac{1}{4}$  in.; set with a 2-in. mike, it will measure depths down to 1 in. Larger mikes and longer pins, which can be cut out of  $\frac{3}{16}$ -in. drill rod by the user, will permit deeper measurements.

## V-Film

Newest packaging material to be developed by the Goodyear Tire & Rubber Co., Akron, Ohio, is "V-Film" which has many of the characteristics of transparent Goodyear Pliofilm, but is made of a polyvinyl chloride base instead of rubber hydrochloride and, like it, will be

sold under strict government allocation. The plastic material is described as being "not the equal of Pliofilm in some respects for moistureproof packaging," but "superior . . . in tear resistance and several other factors" that will make it "especially adaptable for fabrication used such as rainwear, shower curtains, umbrellas, and other articles where stitching and sewing are required."

## THINGS TO COME

Warning lights will flash and a horn will blow when the plane of a postwar private flyer loses speed to a point where it is likely to "stall" and become just another figure in the Civil Aeronautics Administration's statistics on the most prolific cause of private flying accidents. If and when the pilot regains sufficient flying speed, and at length flies in to a perfect three-point landing, he will save brakes and tires and come to a stop much more positively on an icy, wet, or muddy landing strip by reversing a proposed new full-feathering propeller—after he leaves the air. If the flyer's plane is equipped with floats, he will be able to make positive stops on water for the first time by means of the same "reverse pitch braking."

A new "synthetic elastomer" derived from domestic agricultural materials may soon replace imported chicle in at least one chewing gum. Flavor and consistency promise to be unchanged.

Definite designs for the postwar exteriors of the larger motorized home appliances (the first new refrigerators, dishwashers, laundry machines, and so on are likely to look like their prewar prototypes) will not emerge full-blown from the drawing boards of the designers until style trends can be more exactly determined. Meanwhile, it becomes clear that motor speeds will be higher, hence motor sizes and weights will be smaller. Additional gearing necessitated by higher speeds will be quieter than prewar types because (1) they will be more precisely cut and finished by economical, war-developed, mass-production methods, and (2) many of the gears will be mounted on their shafts by a newly developed cushion of synthetic or natural rubber that can almost be said to be poured into place.

# FINANCE

THE MARKETS—PAGE 122)

## New Issues Active

But the security market has big problem to solve in the uniform price agreements now under Justice Dept. scrutiny.

For many years (and it's been no secret, either), it has been the custom when security underwriting agreements have been made for members of the underwriting and selling groups to contract to maintain a uniform offering price for a period (normally 30 days with extensions) for a new issue.

• **Few Violations**—In other words, members of the groups have agreed for their own protection not to indulge in price cutting in order to rid themselves quickly of their participations in an offering, at the expense of others, if placement of the new issue began to show signs of turning into a tough selling job.

There have been some violations of such contracts, but relatively few. Because of the profession's own policing system, those who might have been inclined to violate the pacts are well aware that any price cutting would be apt to cost them substantial profits in the long run by leading to their elimination from subsequent selling groups.

• **On the Spot Now**—However, as a result of developments since the National Assn. of Securities Dealers, the over-the-counter houses' self-governing body, fined some 70 members for alleged infractions of the selling agreement covering the temporarily sticky offering of \$32,000,000 Public Service Co. of Indiana securities in late 1939, the nation's main underwriting houses now find themselves somewhat on the spot in connection with their traditional price-maintenance agreements.

This is because the Dept. of Justice recently announced (BW—Jan. 15 '44, p114) that it would intervene at hearings of the Securities & Exchange Commission on these fines (scheduled to get under way again on Mar. 29), since it considers the customary price-fixing agreements in the underwriting field a violation of the Sherman antitrust law.

• **Active Market**—Thus far, however, this factor has caused little change in the new issues market. As anticipated (BW—Feb. 5 '44, p50), Wall Street's underwriting houses enjoyed a busy period since the close on Feb. 15 of the active



## Comin' in on a wing and a prayer\*— AND HYATTS!

OUT OF THE SMOKE OF BATTLE, out of the range of the enemy... a bomber limps home with a wing, its tail, belly, and two of its four engines shot full of holes.

It has dumped another load of bombs over the Rhineland today... punched some more holes in the Axis industrial machine. But, like the men who man them, these planes must be built to "take it" as well as "dish it out."

This... in a word... takes "guts." After all, it is what's inside the shell that really makes a plane tick when the chips are down.

Inside are hundreds of precision parts... parts that are knit into unflinching strength. Prominent among these parts are the smooth rolling Hyatt bearings into which we build great capacity while holding them true to required precision tolerances.

At Hyatt, you see, we developed and use the centerless I.D. grinding process exclusively, and this always assures the uniform wall thickness of our bearing races... therefore, perfect concentricity, perfect balance.

A perfectly circled raceway prevents eccentricity... the main cause of vibration, one of the things that could spell disaster for a plane and its engines.

By minimizing vibration, increased horsepower is helped made possible. And this increased power is mighty comforting to flyers "comin' in on a wing and a prayer."

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# GENERAL MOTORS

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The worker's *hands* . . . they can be protected in a manner that means much in *lowered costs* and *increased production*.

JOMAC INDUSTRIAL GLOVES are bringing new economies to America's leading plants. Jomac fabric is *extra-long wearing*. It is a loop-finished cloth that is thick with protective "cushions." These gloves can be washed repeatedly, used over-and-over again.

JOMAC INDUSTRIAL GLOVES are offered both in regular and special Heat-Resisting styles. Write for the complete details.

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### INFORMAL BUSINESS

New York State Comptroller Frank C. Moore (left) and F. Abbott Goodhue, president of the Bank of the Manhattan Co., chuckle over the renewal of a 104-year-old agreement that became more of a tradition than a contract. Under the pact originally

signed in 1840, the bank has guarded the state's purse strings as agent for transactions involving bonds and other obligations. During a century of transactions, no one thought of the contract until Moore recently dug it up from yellowed files. Amendment of state finance laws and the formal renewal are the results.

phase of the Fourth War Loan drive and in the latter half of last month successfully offered publicly some \$66,000,000 of new corporate bonds in addition to 585,000 shares of common and preferred stocks.

The largest of the bond offerings, \$40,000,000 Phillips Petroleum 2½% debentures, was quickly oversubscribed in mid-February. Equally successful was the sale last week of \$16,500,000 3½% first mortgage bonds of the Florida Power Corp.

In fact, the Street had such a shortage of the Florida Power bonds, because of the demand from insurance companies, that premiums of some 14 points above the original offering price were bid for bonds right after the books were closed.

• **Big Private Sale**—Consummated without trouble last month, too, were such smaller offerings as \$5,000,000 Northern States Power 2½% first mortgage bonds, for which six syndicates submitted bids; \$4,300,000 Central Ohio Light & Power 1st 3½s; and \$3,500,000 Food Fair Stores 3½% debentures.

And, as further evidence of the demand for new bond issues, Illinois Power Co., while the war bond drive was still active, was able to sell privately

\$63,000,000 of long-term mortgage bonds to a group of about 50 institutional investors.

Stock offerings last month included 400,000 shares of Central Illinois Electric & Gas common and 75,000 shares of West Indies Sugar common, neither of which operations represented new financing; 60,790 shares of Masonite Corp. common for new money purposes; and 50,000 Hooker Electrochemical \$4.25 preferred shares in order to provide for both refunding and new money needs.

• **Playing It Safe**—However, while the Dept. of Justice announcement has thus far played only a small role in connection with the new issues market, the Street generally is concerned about its longer-term unfavorable potentialities.

Although the department's contention is still far from a test in the courts, it is significant that most bidders for the Florida Power issue last week, probably on advice of counsel, played it safe by leaving the traditional price-maintenance clauses out of their underwriting agreements.

The successful syndicate's underwriting agreement is said to have contained something new in the statement that



**That's the secret of faster  
Aircraft Production with this  
NEW BIRDSBORO  
HYDRAULIC PRESS**

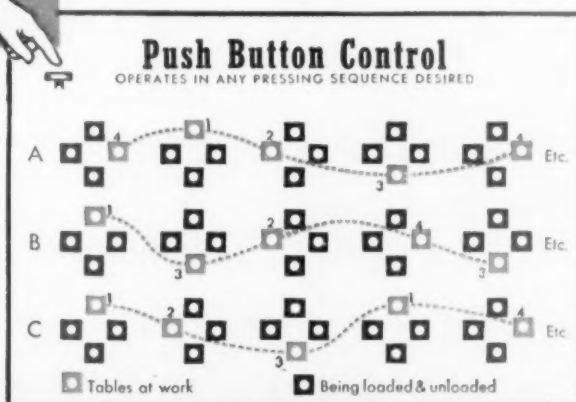
Major improvements in hydraulic press design don't occur often. But when one does, it's news—BIG news.

For instance, the exclusive automatic Shuttle Table arrangement Birdsboro engineers recently developed for use with Birdsboro Hydraulic Presses, transfers work along the *shortest* possible line, a *straight* line between loading and pressing position. Four conveniently arranged Shuttle Tables, fully synchronized with the pressing operation can be moved in any sequence selected by the operators by pushing respective control buttons in whatever order they desire.

As a result, the press is always operating with *one of the four shuttle tables*. No press time is lost waiting for loading. Hence, faster work, greater production and a minimum of strain on the operators.

**BIRDSBORO STEEL FOUNDRY AND MACHINE CO.,  
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Birdsboro's advances in hydraulic press design have come as a result of Birdsboro's engineers applying their specialized knowledge to the specific problems of the customers they serve. If you have a press problem, let Birdsboro engineers work with you for a speedy and satisfactory solution.



**BIRDSBORO**  
**HYDRAULIC PRESSES**



Photo U. S. Signal Corps

## To Speed Delivery and Assure Protection— Munitions and Supplies Go To War in GAYLORD CONTAINERS



Packaging problems of today's global war presented many new demands to Gaylord's packaging specialists. From the designing of special shock-proof cartons used in dropping munitions from airplanes to the production of food containers which withstand surf-borne landings and tropical moisture — Gaylord is playing a vital part in protecting and speeding delivery of war materiel.

*You can play a vital part — Buy More War Bonds!*

**GAYLORD CONTAINER CORPORATION**  
**General Offices: SAINT LOUIS**

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"after the initial offering, the public offering price . . . and concessions to selected dealers may be varied by reason of changes in general market conditions." Many market analysts think that Florida Power probably would have received a better price for its bonds if the underwriters hadn't lost the protection of their usual price-maintenance clause.

• **Might Be Serious**—Price maintenance isn't really much of an issue to worry underwriters in sellers' markets. However, in less propitious times, the lack of such agreements could well have serious repercussions, and it is the longer-term factor that has the Street upset.

The houses involved, according to reports, aren't at all satisfied with the modifications that were made in Florida Power agreements. Unless their lawyers advise against it, it is believed that underwriters in their future agreements, despite the department's contention, will see that they get more protection against possible price cutting than in the Florida Power operation.

• **New Issues Planned**—Likely candidates for public offering during the next several weeks include 60,000 shares of Houston Lighting & Power \$4 preferred, and \$18,000,000 of mortgage bonds and 180,000 shares of preferred stock by Oklahoma Natural Gas.

Subsequent offerings may include a \$30,000,000 Allis-Chalmers preferred stock issue to refund \$15,000,000 of 4% debentures now out and provide funds for the postwar period, (however, the issue may first be offered to stockholders); 200,000 shares of American Optical Co. common, partly to fulfill new money needs; \$4,000,000 of Consolidated Cigar 4½% preferred to retire 6½% stock now out; 60,000 shares of Fruehauf Trailer 4½% preferred to refund present 5% shares; and \$10,000,000 of 3% debentures and \$5,000,000 of 4½% preferred for refunding purposes and to meet new money needs of the Greyhound Corp.

• **Utility Plans**—Refunding operations of utility companies, further in the distance, may include the offering at dates not too far off of \$35,000,000 of bonds by Arkansas Power & Light; \$19,000,000 by Empire District Electric; \$22,000,000 by Laclede Gas Light; \$9,000,000 of bonds and \$3,000,000 of preferred by New Jersey Power & Light; \$87,000,000 of bonds by Ohio Edison Co.; some \$35,000,000 by Scranton-Spring Brook Water Service; and over \$30,000,000 by Texas Electric Service.

Big offerings of Birmingham Electric, Carolina Power & Light, and Pacific Gas & Electric common shares may not be so far in the future as the result of liquidating plans of some utility holding companies.



## Fight Detroit Tax

Utilities contest gross income tax ordinance and deny that city levy merely transfers tax from U.S. to city treasury.

Detroit's ideas for increasing municipal tax revenues by imposing a gross income tax on its privately owned power and gas utilities (BW—Dec.11'43,p105) are being contested by Detroit Edison Co. and Michigan Consolidated Gas Co.

Both utilities have filed injunction suits seeking to restrain operation of the new city ordinance which imposes a 20% excise tax on gross revenues.

**• Basis of Suit**—The actions are based on claims that the tax not only is confiscatory, but also infringes on federal taxation functions by levying another tax against excess profits.

Other U. S. cities are interested in the outcome of the legal action, which is expected finally to end up in the U. S. Supreme Court. If the tax is upheld, other cities may use the Detroit ordinance as a model. Already Hamtramck, Dearborn, and River Rouge, Detroit suburbs, have passed similar ordinances, which are directed against the same utilities.

**• Effect Disputed**—Alfred C. Marshall, president of Detroit Edison Co., declared that the proposed tax was not simply a shifting of federal taxes into the city's treasury, as maintained by the council. He said the company's tax bill would go up about \$2,000,000 yearly, on the basis of 1943 income, or about 25% of last year's net revenue, if the ordinance is upheld.

Marshall figured that Edison's tax bill, under the ordinance, would approximate \$10,000,000 in 1943, and that federal taxes would be reduced only by about \$8,000,000.

**• State Regulation Involved**—Gas company spokesmen declared that the ordinance would have the practical effect of forcing an increase in gas rates by 47% if all other municipalities served by the concern took similar steps.

The gas company added that the Detroit ordinance treads on the toes of the Michigan Public Service Commission, which allows the utility a 5.5% return on its investment.

Consolidated Gas' federal income and excess-profits taxes last year totaled \$4,026,417. The greater share of that sum would be diverted to the city under the new ordinance.

**• Warn of Rate Rise**—It appears that if the utility companies are unsuccessful in their efforts to overturn the ordinance, they will try to increase rates in

## The ticket that charges Tony's time . . .



*"SAY—in this place we have forty-seven kinds of guys doing forty-seven different kinds of jobs in a day. And time costs are just about anybody's guess. I certainly don't trust my own figures."*

EVER hear that before? Consider Tony, maintenance man, in a large plant. He does anything from fixing a stuck window in the boss's office to repairing a worn lathe motor.

Tony carries in his pocket several Keysort cards—coded with his own classification, clock number, hour rate and other items of information . . . Tony lists every job on a separate card, notes the department and time spent, turns it in to the timekeeper. By noon

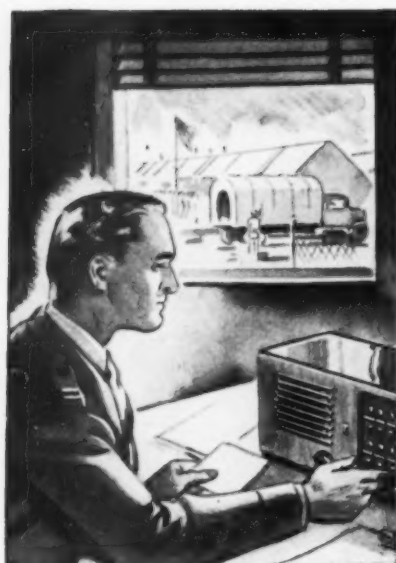
next day, every job has been charged to the proper department.

EXPEDITING business information is McBee's business. For many years we have been finding ways of finding out facts about businesses—faster, more accurately and cheaply. McBee methods and products are simple, are custom fitted to your business . . . are usable by ordinary office girls . . . require no special skill, experience or machinery, save time, clerical costs and executive headaches. And are used today by thousands of firms, large and small; by war industries, the Army, Navy and scores of government departments . . . If you need more up-to-date records, find out more about McBee now. Just ask our nearest office.



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Graybar Specialists in 86 key cities can supply you with just the size of Teletalk installation that your organization requires... be it large or small.

Let the Graybar Specialist near you make a survey of your office or plant... apply his years of experience with intercommunication problems to speeding the work of your organization.

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Offices in Over 80  
Principal Cities



order to maintain their profit position.

Utility lawyers believe that the Public Service Commission would authorize such increases, even though the ordinance specifically declares that the tax shall not be passed on to consumers, on the grounds that it would impair the 5.5% "fair return" on investment and thus jeopardize working capital and prevent adequate financing for extensions and additions to facilities.

## Mills in Quandary

Directors ponder method of expending \$22,500,000 in cash realized from the sale of Century Distilling Co.

Allied Mills, Inc., which recently sold its whisky distilling subsidiary, Century Distilling Co., to National Distillers Products and thereby netted around \$22,500,000 (BW-Dec. 4 '43, p104), is now reported puzzled as to how to use a substantial part of the funds.

• **Earlier Plans**—The concern did announce, when it was seeking stockholder approval of the sale of Century, that it intended to use about \$1,227,000 to pay off some long-term debt.

An additional \$5,000,000 or \$6,000,000, it was announced, would be earmarked for expanding the concern's livestock feed and soybean business when conditions became propitious.

• **The Dilemma**—Wall Street now hears that the Allied Mills' management has about decided not to proceed with any substantial expansion program or to acquire any new businesses at this time.

However, the directors, it is said, don't want to leave the new funds idle in the treasury, as this would subject the company to a substantial tax on undistributed capital surplus. The directors know, too, that to distribute a good size chunk of the cash to stockholders, via the dividend route, would subject the owners of the business to higher individual income tax payments.

• **New Proposal**—Allied Mills' directors, therefore, are now said to be considering a plan under which a large amount of the cash from the sale of Century would be used to reduce the company's sole capitalization (some 800,000 shares of common stock), by the tender method.

Under such a procedure, the company would be helped, and shareholders also would benefit since those selling their stock back to the company would, in the case of any profit received as a result of the Century sale, probably have to report only a long-term capital gain, taxable at 25%.

## A Giant Grows

House of Merrill Lynch, the world's largest security and commodity brokers, shows volume of 3 billions during 1943.

That "bigness" of operating units is not limited to industrial, transportation, or utility fields is well emphasized by details in the report just released covering 1943 operations of Merrill Lynch, Pierce, Fenner & Beane of New York, the nation's largest security and commodity brokerage firm.

• **Income Soared**—Gross income of that house totaled \$17,321,000 last year as compared with \$9,442,000 in 1942. Earnings, after taxes, were \$1,103,000 compared with only \$146,000 in 1942. Total resources and liabilities moved up in 1943 from \$74,084,000 to \$105,971,000, and net worth as a result of such earnings and new capital rose \$1,800,000 to \$7,800,000.

• **"We, the People"**—Known more familiarly to Wall Street wags as "We, the People," because of its 74 general and special partners and more than 2,000 employees, the house of Merrill Lynch, et al., now holds 80 memberships on 35 different exchanges in the U. S., Canada, and England.

It enjoys eight seats on the New York Stock Exchange alone, and maintains 87 offices scattered over 29 states, the District of Columbia, and Cuba.

• **Enormous Volume**—Its clients last year bought or sold some \$3,000,000,000 of commodity contracts and securities. Operations of the firm actually provided 10% of the activity on the New York and New Orleans cotton exchanges, 6% and 8.5%, respectively, of all transactions passing over the Chicago Board of Trade and the New York Curb Exchange; 9.5% of all 1943 round-lot transactions on the N. Y. Stock Exchange and 11.6% of its odd-lot business.

The firm also had a 14% piece of total Big Board "special offerings" in 1943 and almost 77% of its entire income came from the handling of listed securities. Underwriting and over-the-counter activity brought in over 13%, and commodity trading, despite war restrictions, supplied another 10%.

• **Field Broadens**—The geographic distribution of the firm's 1943 business changed sharply from previous years.

Business from the Pacific Coast and Far West, for example, supplied 17.3% of its security and commodity income against 10.5% in 1942, while business originating in the populous northeastern states dropped to 23% from around 27% in 1942.

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## Teletalk... *Modern* WINGS FOR FIGHTING WORDS

Responsibility for speeding the sinews of war . . . in giant plants . . . block-long office buildings . . . ship yards . . . supply depots . . . warehouses and flying fields . . . has proven that man-hours are far too precious to waste.

In Teletalk Amplified Intercommunication Systems have been found the effective plug for the man-hour leak. Teletalk's instant, personal and private communication releases messengers for productive work . . . saves precious time, steps and energy.

In government offices and war factories throughout the nation, Teletalk puts ideas to work at once, reduces errors, increases inter-department cooperation, permits conferences without any of the participants leaving his desk.

Teletalk systems are easy to install, economical to operate. While government demands come first these days, war work

may give your organization the proper priority rating to secure the immediate advantages of Teletalk intercommunication.

Let your nearest Teletalk distributor study your requirements. He can lay out just the installation to meet your needs whether your office is large or small. Look him up in the classified telephone directory as shown below. If you cannot locate a Teletalk distributor near you, write us and we will see that you are properly contacted.

WEBSTER ELECTRIC COMPANY, Racine, Wisconsin, U. S. A., Established 1909. Export Dept.: 13 E. 40th St., New York (16), N. Y. Cable Address: "ARLAB" New York City

Let's All Back the Attack  
Buy Extra War Bonds

**WEBSTER ELECTRIC**

Electronic inter-communication, paging and sound distribution systems for offices, stores, factories, buildings, institutions, homes and farms.

**Teletalk**

"WHERE TO BUY IT"

**GRAYBAR ELECTRIC CO., INC.**

194 Richmond      DEXTER 8100

PROVIDENCE

**WEBSTER ELECTRIC**

**Teletalk**

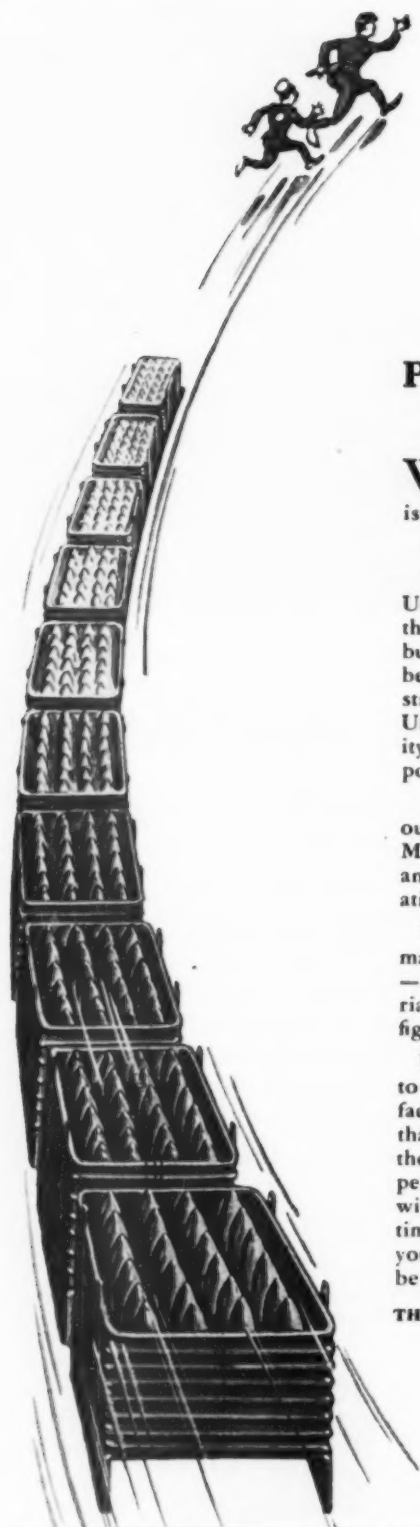
RED U.S. PAT. OFFICE

Licensed under U. S. Patents of Western Electric Company, Incorporated, and American Telephone and Telegraph Company

# WEBSTER ELECTRIC

"Where Quality is a Responsibility and Fair Dealing an Obligation"





## Putting the "Skids" Under the Axis

**W**E'LL admit the idea of using skids and boxes for materials handling isn't new.

But—here's a new angle.

Not so long ago steel engineers at Union Metal started asking, "Why do they have to be made of wood?—big, bulky, and short-lived? Why can't they be made of steel?—ordinary steel, but strengthened much in the same way Union Metal gives strength and durability to its light standards and Monotube poles—by *fluting*."

Their questions inspired research, and out of that research came the Union Metal all-steel, corrugated skids, boxes, and pallets so popular with plant operating men.

Today these better, lighter, stronger materials handling units are in wide use—speeding the flow of vital war materials—helping Uncle Sam knock the fight out of the Axis.

Union Metal is devoting its energies to the war effort now—all manufacturing facilities are being used exclusively for that purpose. But, when peace comes, all the skills of our craftsmen and all the pent-up plans of our engineers again will be available to *you*. In the meantime, perhaps our engineers can aid in your own peacetime planning. We'll be glad to have you write us.

THE UNION METAL MANUFACTURING CO.  
Canton 5, Ohio



**UNION METAL**  
*Craftsmen in Steel Fabrication*

## B. & O. Financing

Wall Street wonders how \$19,000,000 allocated for debt retirement will be used. Road may buy in long-term notes.

Speculation over which direction the Baltimore & Ohio will take in its current financing program—now that it has allocated \$9,613,000 to the payment of contingent interest and added \$5,000,000 to its capital fund—continues as a leading topic in Wall Street.

• **Not Too Bright**—B.&O. directors have appropriated over \$19,000,000 for debt retirement during 1944, but how it will be used has not been disclosed.

The 1943 earnings picture wasn't as bright as the previous year's, because of the retroactive wage increases, the rising trend of other operating costs, and the absence of 1943's heavy tax credits (BW—Feb. 5 '44, p. 71). Despite a rise of \$51,888,000, or almost 17%, in gross revenues, 1943's net of \$30,500,000 was poor compared with \$45,300,000 in 1942 although 1943 was the second best earnings period in the road's history.

• **Several Possibilities**—It's possible that the \$19,000,000 available this year will be applied entirely to retirement of the \$42,000,000 secured notes due Aug. 1, which are now selling around 95% of par. This would make a big dent, since the Reconstruction Finance Corp. owns \$13,400,000 of the issue.

But in previous debt retirement operations, B.&O. has made the most of the cash in its sinking fund by purchasing its cheaper priced long-term obligations. This formula last year permitted B.&O. to buy in enough of various bond issues to cut down its annual fixed charges from \$18,700,000 to \$17,200,000, and contingent interest from \$11,350,000 to \$9,600,000.

• **May Be Repeated**—The Street believes that this procedure will be followed again this year. It is considered doubtful that the road will come near matching the 1943 January-August showing of \$26,000,000 net profits after all charges. (January net was off 54%.)

Consequently, few rail analysts placed much credence in recent reports—which caused a sharp rally in all B.&O. bonds—that the system already had secured a bank loan and thus had the cash to pay off all public holders of the 4% notes when they matured. The management later denied stories of the bank loan.

• **Offer Is Expected**—Under provisions of the McLaughlin Act, an offer of a 40% to 50% cash payment to public holders of the 4% notes and a ten-year extension of the rest is expected.

# Realism...now and after the war

## BUSINESS REPORT FOR 1943

In accordance with the Annual Statement as of December 31, 1943, filed with the New York State Insurance Department.

### OBLIGATIONS TO POLICYHOLDERS, BENEFICIARIES, AND OTHERS

<b>Policy Reserves Required by Law</b> . . . . .	\$5,537,595,431.67
This amount, together with future premiums and interest, is required to assure payment of all future policy benefits.	
<b>Policyholders' Funds</b> . . . . .	255,604,009.54
Policy proceeds and dividends left with the company at interest to be paid out in future years.	
<b>Reserved for Dividends to Policyholders</b> . . .	105,674,814.00
Set aside for payment in 1944 to those policyholders eligible to receive them.	
<b>Other Policy Obligations</b> . . . . .	52,027,949.91
Claims in process of settlement, estimated claims not yet reported, premiums paid in advance, etc.	
<b>Taxes Due or Accrued</b> . . . . .	20,523,324.00
Includes estimated amount of taxes payable in 1944 on the business of 1943.	
<b>Reserve for Investments</b> . . . . .	62,347,000.00
To provide against possible loss or fluctuation in their value.	
<b>Miscellaneous Liabilities</b> . . . . .	23,495,304.45
<b>TOTAL OBLIGATIONS</b> . . . . .	\$6,057,267,833.57

### ASSETS WHICH ASSURE FULFILLMENT OF OBLIGATIONS

<b>National Government Securities</b> . . . . .	\$2,353,375,600.15
U. S. Government . . . . .	\$2,181,141,867.14
Canadian Government . . . . .	172,233,733.01
<b>Other Bonds</b> . . . . .	2,028,916,055.62
U. S. State and Municipal . . . . .	48,213,934.88
Canadian Provincial and Municipal . . . . .	89,749,717.58
Railroad . . . . .	547,354,089.75
Public Utilities . . . . .	829,416,829.35
Industrial and Miscellaneous . . . . .	514,181,484.06
<b>Stocks</b> . . . . .	87,370,538.01
All but \$680,138.00 are Preferred or Guaranteed.	
<b>First Mortgage Loans on Real Estate</b> . . . . .	924,476,078.57
Farms . . . . .	87,981,134.22
Other Property . . . . .	836,494,944.35
<b>Loans on Policies</b> . . . . .	408,746,108.58
Made to policyholders on the security of their policies.	
<b>Real Estate Owned</b> . . . . .	366,977,963.12
Includes \$59,821,102.96 real estate under contract of sale and \$143,580,643.66 Housing Projects and real estate for Company use.	
<b>Cash</b> . . . . .	135,436,989.06
<b>Other Assets</b> . . . . .	158,504,218.48
Premiums due and deferred, interest and rents due and accrued, etc.	
<b>TOTAL ASSETS TO MEET OBLIGATIONS</b> . . . . .	\$6,463,803,551.59

Assets exceed Obligations by \$406,535,718.02. This Safety fund is divided into

<b>Special Surplus Funds</b> . . . . .	\$ 14,525,000.00
<b>Unassigned Funds (Surplus)</b> . . . . .	392,010,718.02

These funds, representing about 7% of the obligations, serve as a cushion against possible unfavorable experience due to war or other conditions.

**NOTE:**—Assets carried at \$304,333,580.62 in the above statement are deposited with various public officials under requirements of law or regulatory authority. Canadian business embraced in this statement is reported on basis of par of exchange.

### HIGHLIGHTS OF 1943 OPERATIONS

<b>Life Insurance in Force, End of 1943</b> . . . . .	\$29,180,396,994.00
<b>Paid-for Life Insurance Issued During 1943</b> . .	2,305,262,410.00
<b>Amount Paid to Policyholders During 1943</b> . .	554,873,243.55

**WE** HEAR a great deal these days about postwar planning. Some of it seems sound and practical, and some of it is "crystal gazing."

While literally hundreds of public and private agencies are thinking of postwar planning, there are a few things that realistic individuals are sure of.

They know that first and foremost the war has to be won and nothing should interfere with all-out efforts toward this end.

They know that economic tides ebb and flow; that the future, like the past, will experience good times and bad; that when bad times come, many people will face economic hardships.

They know that they, like everyone else, are growing older; that the life of any individual is uncertain; and that in accordance with the immutable laws of nature, heads of families will continue to pass on.

Knowing these things, some 30 million people insured by Metropolitan are providing definite measures of protection against these uncertainties of life through some 29 billion dollars of life insurance.

In addition to providing an anchor to windward for the individuals involved and for their families, the thrift of these policyholders is bound to be of a stabilizing character during the postwar period.

This is Postwar Realism of the highest order.

## Metropolitan Life Insurance Company

(A MUTUAL COMPANY)

Frederick H. Ecker,  
CHAIRMAN OF THE BOARD

Leroy A. Lincoln,  
PRESIDENT

1 MADISON AVENUE, NEW YORK 10, N. Y.



METROPOLITAN LIFE INSURANCE CO.  
1 Madison Avenue, New York 10, N. Y.

Gentlemen:

Please send me a copy of your annual report to policyholders: "Serving in the War—Building for the Peace."

Name \_\_\_\_\_

Street and Number \_\_\_\_\_

City \_\_\_\_\_ State \_\_\_\_\_

# MARKETING

## At Bat Again

Dept. of Justice strikes out in A. & P. case, but files new and similar charges against chain stores in Illinois court.

How long should an antitrust indictment be; and how tightly drawn up? To U. S. business men who have been entangled in the web of antitrust laws since Thurman Arnold launched his crusade five years ago, the answers to these questions were as important as the primary issue raised by the Dept. of Justice's sweeping 34-page indictment filed against the Great Atlantic & Pacific Tea Co. in a Dallas federal court over a year ago (BW—Feb. 20'43, p8).

• **Case Dismissed** — The case was quashed in the district court, remanded for further proceedings by the appellate court in New Orleans (BW—Aug. 7'42, p81), and finally reconsidered—only to have a long list of charges deleted.

Then last week, the government failed to come through with a thrice-delayed bill of particulars requested by A. & P. attorneys through the Dallas court, and the indictment was dismissed. Finally the Dept. of Justice announced

it would start new but similar proceedings in Danville, Ill.

• **Auto Case Judge to Act**—Assistant Attorney General Wendell Berge has suggested that the portions of the original indictment deleted by Judge W. H. Atwell's court in Dallas had invalidated the indictment.

At any rate, the Antitrust Division was off on the wrong foot in the Dallas court and, looking for a court to start with a clean slate, picked the district court in Danville where the case will be heard by Walter C. Lindley, a judge whom the Attorney General's office remembers favorably for his decision in the famous action against three big automobile concerns—Ford, Chrysler, General Motors—and their finance company subsidiaries (BW—Nov. 25'39, p15).

• **Conspiracy Charged**—In the new information, filed a week ago in Danville, the Antitrust Division charges A. & P., and its subsidiaries, with violation of the Sherman antitrust law. The "A. & P. group" was charged with conspiracy to control prices, and injure and destroy food manufacturers, processors, canners, wholesalers, and independent grocery retailers.

Specifically, the information charged A. & P. with lowering food costs in certain areas, sometimes below cost, until its stores acquired a dominant

volume of business, and using profits from other areas to compensate for these temporary losses.

• **Charges Denied**—The original action brought in Dallas included such additional charges as those concerning short changing and short weighing, unearned brokerage fees, and false-front consumer and housewife organizations.

A. & P., far and away the nation's largest chain grocery store organization, reported sales of \$1,471,177,992 for the fiscal year ending Feb. 28, 1943, and spokesmen maintain the concern is innocent of all charges brought by the Attorney General.

Although A. & P. executives are circumspect about commenting upon the case, there is sarcastic comment in chain store circles about the Dept. of Justice "shopping around" for a court in which to renew the charges.

• **Other Cases Pending**—Meanwhile, indictments against Safeway Stores, Inc., and the Kroger Grocery & Baking Co. (BW—Jul. 3'43, p8), in which a Kansas City district court decided the charges were vague and that the place of trial was not properly laid, await action by the appellate court.

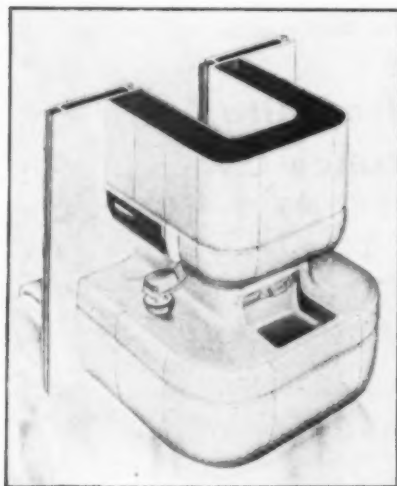
Although targets of the antitrust actions, the grocery chains have made at least one friend in Washington by hewing to the line of official price ceilings. OPA is grateful to them not only for observing legal prices, but for helping to keep the competition in line.

## Costs Analyzed

FTC's report on building materials distribution expense indicts cement industry's use of multiple basing-point system.

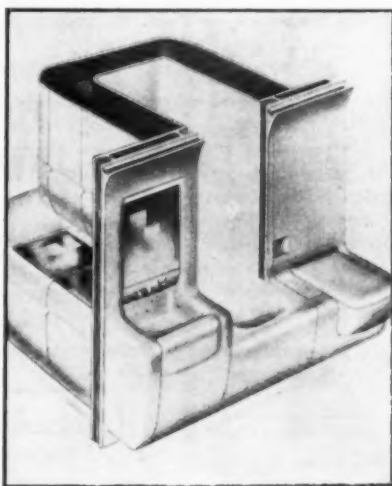
Long accustomed to being overshadowed by a host of wartime agencies, the Federal Trade Commission was happy when Part I in its series of studies on distribution methods and costs made a big splash in the press and in Congress (BW—Dec. 4'43, p94). Part I covered the food industry, and the general concern over the high cost of eating gave it a popular appeal far beyond anything the commission dreamed when the study was begun in 1940.

• **Not a Ripple**—Part III of the distribution study, covering building materials (lumber, paints and varnishes, and portland cement) has not caused even a ripple. Part II, clothing, has been temporarily held up, but since distribution costs in this field—as in food—have such an important bearing on the cost of living, it is likely to be an attention-getter. There's a suspicion that FTC



### ALL IN ONE

Utility as well as design influence today's planning for tomorrow's household furnishings and appliances. At the Industrial Designers Assn.'s exhibit in Detroit (BW—Feb. 26'44, p84), sketches of a streamlined but



practical kitchen-bath unit (above) were a smash hit. Developed for Virginia Lincoln Corp., Marion, Va., by Sundberg-Ferar, designers, the unit's plumbing needs are a single set of pipes and one drain; the bath is compact; and the kitchen calls for built-in sink, toaster, mixer, and refrigerator.



## What Can a Father Tell His Son?



*Excerpts from a father's letter to his son:*

"... You often wonder, you say, what is happening to the things you are fighting for—*what kind of America* you'll find when you come home. Those are natural questions, and I believe there are simple, natural answers.

"You long to come home—to your wife and baby son, to the security of peace. You want the basic freedom a man needs in order to be truly "a man"—the right to earn your living and the opportunity to go as high and far as your energy and ability will take you.

"Now there, briefly, is the kernel of this idea called American Free Enterprise—an idea born of the passion for liberty that created America.

"To me one of the brightest examples of what men can accomplish in the sunshine of Free Enterprise is furnished by America's railroads—and by the men who built them. Their record makes me

proud of being a railroad man. Here, truly, were practical dreamers—men of amazing vision, of indomitable courage, of vast determination. Faced by untold difficulties, they drove ahead—to develop the vast, rich resources of America—to make it the granary of the world.

"Along the paths they blazed all over the nation, towns sprang up—and huge industrial centers. Over their new rails, raw materials flowed to hungry factories, and finished products were hauled to distant markets. Without the railroads, America's great industrial development could not have been—nor could Americans have achieved the highest standard of living this world has ever seen.

"As for today—all America knows the amazing wartime job the railroads are doing. Short-handed, with inadequate equipment, they are hauling incredible tonnages of raw materials, supplies and armament—carrying passengers, uni-

formed and civilian, in astronomical numbers. America knows—and applauds.

"What kind of America will you find when you come back? This you can depend on: We shall fight to preserve for you that same opportunity, that same chance to succeed in life, which inspired the building of America's marvelous industrial machine with which we are now producing the weapons you fighting men need to win this war.

"Let no one tell you that the American Way of Life has served its purpose and should be cast aside. For the philosophy which built America and made her great will keep her great. That is my deep conviction . . .

Love,

DAD

"P.S. I'm passing up the new spring suit that I'd planned to get, to buy an extra war bond for my grandson."

*Write and tell  
your soldier  
you've bought an  
extra bond!*

To appreciate the magnitude of the railroads' impressive accomplishments, we of Pullman-Standard are in a unique position; for we have been part of that stirring Parade of Progress for 85 years . . . the finest railroad and transit equipment in service today has been built by this organization.

Now, in 1944, to help ease the terrific pressure of wartime transportation we shall again build passenger coaches . . . as part of our continuing production of essential war matériel. That vital task will not in the slightest degree interrupt the

vast steady flow of armament to our armed forces, that Victory may come more quickly.

And when peace comes, we shall bring to our familiar task of carbuilding a vast new fund of experience; new and better welding techniques; improved production methods and many new scientific and engineering discoveries proved in the huge laboratory of war production. All these things we shall bring, and with this purpose—that you who ride shall experience comfort, convenience and safety beyond anything you have ever before known.

**PULLMAN-STANDARD CAR MANUFACTURING COMPANY**

Chicago, Illinois . . . Offices in seven cities . . . Manufacturing plants in six cities

© 1944, P. S. C. & W. CO.

# Smokers

## Avoid "GIRAFFE THROAT"

—that long stretch  
of Bite and Burn

Make your smoking ALL pleasure with Country Doctor Pipe Mixture. Extraordinary blending experience, with the skilful selection of the finest tobaccos, plus a perfect moistening agent ... make possible this exclusive blend which effectively bars B-B JEEBIES (Bite and Burn) which you usually find in ordinary tobaccos.

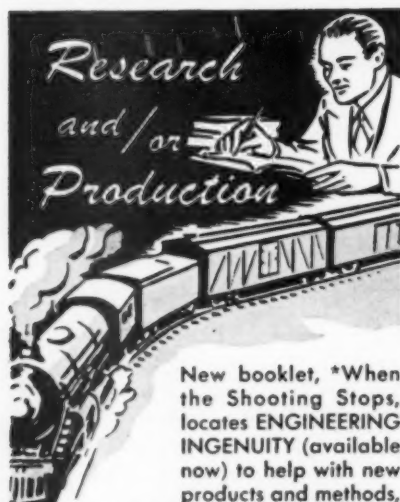
## Country Doctor Pipe Mixture



25¢  
A Product  
of Philip  
Morris

### PLEASURE BY THE PIPEFUL

If your dealer doesn't have it—write Philip Morris & Co., Ltd., Inc., 119 Fifth Ave., N. Y.



New booklet, "When the Shooting Stops, locates ENGINEERING INGENUITY (available now) to help with new products and methods, machines, tools and dies to make them. It highlights our facilities (available after Victory) for experimental or mass production on contract of parts or products.

\*If you are an industrial executive, write me TODAY for a copy of this booklet. Joseph J. Cheney, President.

**Spruesch** EST. 1923  
TOOL & MANUFACTURING CO., Inc.

19 HOWARD ST. AD No 27-A BUFFALO 6, N. Y.

## NOT THE SAME PICTURE

This is how the Federal Trade Commission's figures on distribution costs in the building materials industry line up. All figures are taken from sample surveys covering 1939. In each case, provision for bad debts is included in the manufacturers' distribution cost.

Industry	Distribution Cost (Cents Per Dollar of Net Sales)
Lumber .....	11.58
Paint and varnish .....	23.80
Portland cement .....	16.47

These figures show manufacturers' distribution costs on the basis of sales, f.o.b. factory. The addition of transportation costs (supplied by the Interstate Commerce Commission) shows a different picture for total distribution costs, and is used by FTC to support its contention that the use of multiple basing-points has made the distribution of cement too expensive.

Industry	Total Distribution Cost (Including Transportation)
Lumber .....	29.80
Paint and varnish .....	23.84
Portland cement .....	39.50

is holding back its findings on clothing for release at the time when they will have the biggest possible impact on the cost-of-living battle.

• **Significant Report**—Although it has been generally ignored since it was issued recently, the building materials study is significant because it has given the commission an opportunity for grinding some of its pet axes.

FTC took more than eight pages of the 86 required for the entire study to indict the cement industry's use of the multiple basing-point system (BW—Jul.31'43,p92). The commission is particularly critical of the industry's use of rail (essential to the basing-point system) instead of truck transportation, stating: "The industry has made concerted efforts to eliminate as far as possible the use of truck transportation of cement."

• **Cites Concentration**—In the period 1920-1931, FTC asserts, truck haulage of cement increased until as high as 80% of all shipments in some markets were by truck. Then, says the commission, manufacturers and dealers got together with the railroads and succeeded in cutting down the use of trucks until, in 1939, 80% of all cement shipments were by rail.

FTC also underlined the degree of concentration in the cement industry, pointing out that ten companies control over 55% of total U. S. portland cement capacity. The commission criticized, by indirection, the industry practice of making all sales (with certain exceptions, such as sales to federal and local governments) through dealers. • **Other Sections Pale**—Referring to the industry's 30,000 dealers, FTC says: "This system of distribution is a result of the industry's endeavor to control quite definitely the channels through which various types of sales are made."

Compared to the part on concrete, the sections of the study dealing with lumber and paints and varnishes are somewhat pale. As the watchdog for the Robinson-Patman law, FTC takes note of the complaints of small paint and varnish manufacturers about the large advertising allowances and high-pressure salesmanship of their bigger competitors.

## Radio Bars Down

WMCA to take programs prohibited by the N.A.B. code as controversial. Policy will allow cooperatives to buy time.

New York radio listeners may expect to hear unions and employers broadcasting their respective views on labor and capital, and representatives of cooperatives and private business airing their opinions about savings, dividends, and profits, now that Station WMCA has partially lowered the bars against controversial commercial programs.

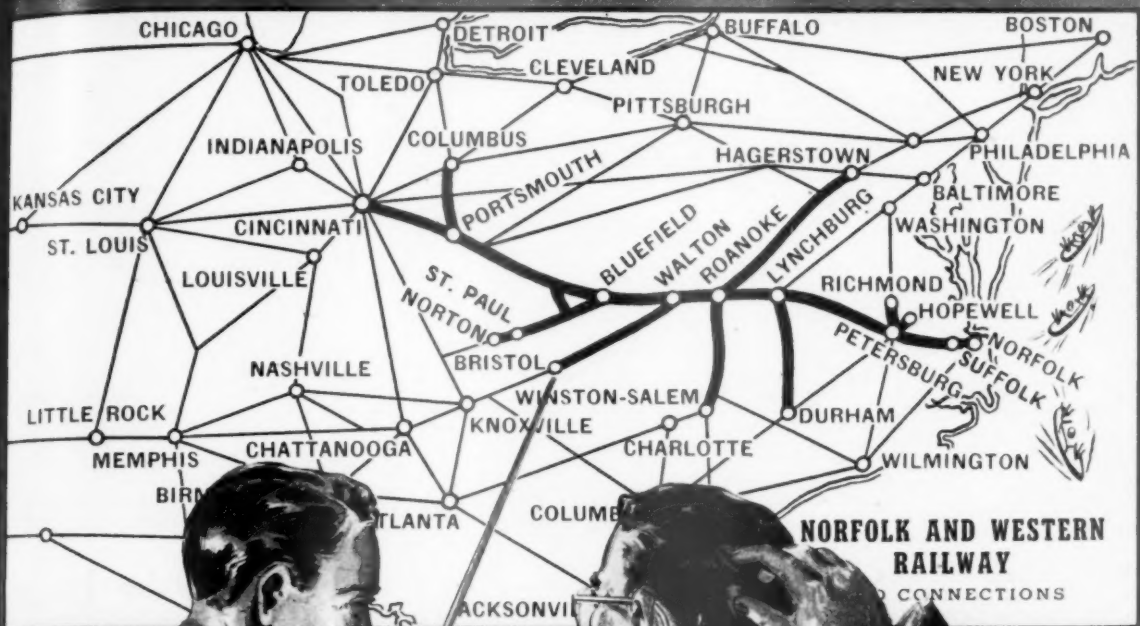
• **A Frank Departure**—Nathan Straus, who purchased WMCA from Edward J. Noble last fall (BW—Sep.18'43,p96), following the latter's purchase of the Blue Network, announced the station's new policy as a frank departure from the code of the National Assn. of Broadcasters, which prohibits sale of any time for controversial discussion.

In the past, both independent stations and the networks have got around this issue by giving free time to unions, cooperatives, and other groups.

• **Backed by Fly**—But unions and co-ops want to buy time on a competitive basis—and they are backed by the Federal Communications Commission's Chairman, James Lawrence Fly.

WMCA has placed certain limitations on controversial broadcasts, but the real significance of the new policy is that it allows labor unions and cooperatives to buy time at all.

• **How Policies Differ**—The N.A.B. code considers these groups controversial per



**NO MORE HEAD SCRATCHING...**

Throughout Norfolk and Western territory — from the Virginia seacoast to the midwest — in fact throughout America, industry is doing a remarkable job producing the fighting equipment and supplies which are helping to win this war. Management is busier than ever before with problems of production — far too busy to take time out for head scratching over freight rates and

routes. That's one reason why the Norfolk and Western has traffic service experts in the field — men who have had years and years of experience in solving traffic problems. They are located in the principal cities of the country — to keep cars rolling — to save you time, worry and money — call on them — they will be delighted to help you!

**NORFOLK and WESTERN** *Railway*

PRECISION TRANSPORTATION

BUY MORE WAR BONDS



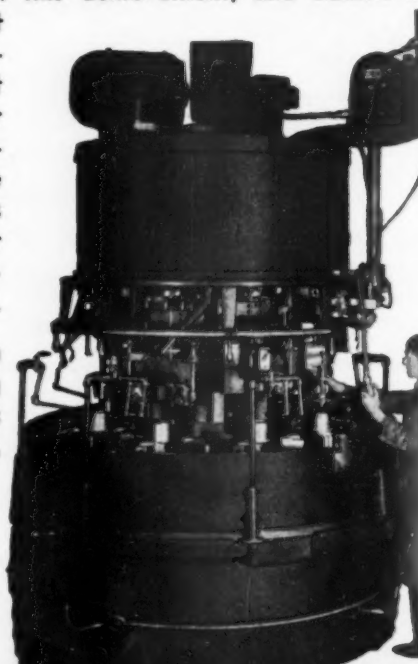


## FOR "LIBERATORS" by BUICK

In the last 21 months, Buick Division of General Motors has built more than 25,000 engines, each of 1200 H.P., for "Liberator" bombers. That is by no means all of Buick's war production—it is but one magnificent item on the list.

Bullard congratulates Buick on this achievement, and Bullard is honored to have played a part in it. For Bullard Mult-Au-Matics and Vertical Turret Lathes have helped to lower production time on many individual parts that make up the "Liberator" engine. Buick has used Bullard equipment for over twenty years on peacetime jobs before Pearl Harbor.

All of these machines can quickly turn again to building parts for fine automobiles when their present task is done.



**THE BULLARD COMPANY**  
BRIDGEPORT 2, CONNECTICUT

se, and prohibits their buying time any kind of program.

Now, when unions and co-ops to buy time, WMCA will come them on the same basis as sponsor other commercial broadcasts.

• **Three Conditions**—On controversial issues presented by any group, however, WMCA will accept programs at the discretion of the management on the following basis:

(1) When one pressure group presents a propaganda program on a timely question—for example, specific labor legislation—will be accepted only when the other is presented on a similar basis. Thus, according to WMCA, is a guard against "one-sided answers to two-sided questions."

(2) Sponsors will not be permitted to glamorize propaganda by nonpertinent entertainment features. WMCA wants groups to sell their social and economic views on straight appeal to reason.

(3) Programs which might promote racial or religious intolerance will be rejected.

## FCC—1944 Issue

G.O.P. seizes resignation of radio agency probe attorney as opportunity to air charges involving Roosevelt aide.

House minority members, who envision themselves in the majority saddle next session, are licking their chops over an incident last week which was all but obscured by the "Dear Albert" revolt over President Roosevelt's tax bill veto. They see in it a miniature of the Barkley eruption, but in reverse.

• **FCC Prober Quits**—Eugene L. Garey, New York attorney and general counsel of the House select committee to investigate the Federal Communications Commission, indignantly resigned. All three of his legal aides quit. But in quitting, Garey loosed a barrage of vitriol against the committee's chairman, Rep. Clarence F. Lea, D., Calif., likely to have repercussions for weeks.

In a letter to Lea, who took over the committee helm last October after Rep. E. E. Cox of Georgia had resigned under fire, Garey charged that the Californian had "repeatedly ignored the mandate of the House, stymied the staff in its work, and converted the investigation to a sheer whitewashing affair."

• **Pressure Charged**—Pressure from highest places in terminating the investigation was charged by Garey. His decision to resign came when Lea and the other two Democratic members of the committee (Hart, N. J., and Magnuson, Wash.) decided to call off the committee's inquiry into the circumstances surrounding the alleged forced sale of radio

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resignation of Eugene L. Garey, gen-  
eral counsel of the House committee  
investigating FCC, may be the thun-  
derhead of a political storm in the  
House. Garey, long an advocate of re-  
forming administrative law, took the  
committee job at the insistence of  
Rep. E. E. Cox, former chairman, who  
was forced to resign when allegations  
about his relationships with a Georgia  
radio station were plastered over the  
record. As soon as Garey appeared on  
the scene, FCC also started making  
things hot for him and when he felt  
that the House committee, under new  
chairman Clarence F. Lea, thwarted  
his rebuttal, he blew up and quit.

station WMCA, New York, by Donald  
Flamm to Edward J. Noble, former  
Under Secretary of Commerce under  
Harry Hopkins, and now owner of the  
Blue Network (BW-Aug. 21 '43, p96).  
Noble bought WMCA for \$850,000  
and sold for \$1,255,000 to Nathan  
Straus, former U. S. Housing Author-  
ity Administrator (BW-Sep. 18 '43, p96).  
• **New Dealers Named**—The names of  
Hopkins, Tommy (The Cork) Corcoran,  
and other present and erstwhile New  
Deal confidants were drawn into the  
WMCA incident.

The investigation, however, didn't  
get beyond the first of a score of wit-  
nesses (Flamm) when the Democratic  
majority called things off pending the  
outcome of a triple-damage suit by  
Flamm against Noble, now before the  
New York State Supreme Court.

The house investigation of the FCC  
got under way last July after several  
months of intensive preparation. From

# Portland's Record-Breaking Shipbuilders are in the 7th Grade

**They're the leaders of tomorrow,  
these model boat builders of today...  
and they're Journal Juniors, too!**



**T**HE JOURNAL JUNIORS, whose  
current membership is 60,000 eager  
boys and girls, whose entire member-  
ship during its two decades of existence  
is well over 600,000, is purely a *volun-  
tary* organization. There are no dues,  
no special incentives offered. Members  
do not even have to subscribe to The  
Journal. These boys and girls join be-  
cause they want to . . . because the  
Journal Juniors is *their* organization.

## Not A New Idea

In 1927 The Journal sponsored the  
first Journal Junior Model Boat Regatta  
for Portland boys and girls; invited in-  
dustrial arts instructors of Portland  
schools to cooperate. The response was  
widespread and enthusiastic and has  
continued for 17 years.

As a result model boat building is  
today a regular project of 7th grade  
youngsters in their industrial arts  
classes. Right now in a Portland school  
some boy is building a model boat that  
will break records in the 18th Annual  
Model Boat Regatta this June.

## Other Activities

Model boat building is only one im-  
portant Journal Junior project. The  
Oregon Journal Juniors, both girls and  
boys, participate in a host of activities.  
In addition to their daily column in The  
Journal, they have radio programs,  
model airplane races, plays, stamp col-  
lectors' clubs, baton twirling, dancing,  
Victory Gardening and dozens of others.  
All are wholesome, healthy outlets for  
youthful imagination and enthusiasm.

**ONLY** a newspaper like The  
Journal would originate such an  
organization and keep it alive and  
growing for almost twenty years  
. . . keep it free from any type of  
commercialism. It took vision, or-  
ganization and understanding. The  
Journal feels that giving an outlet  
for the energy, talents and ambi-  
tions of boys and girls is an impor-  
tant function for a home newspaper  
. . . just as important as keeping their  
parents informed of what's going  
on in the world from day to day.

*If you lived in  
Portland you'd read...*

**The JOURNAL**

**PORTLAND, OREGON**

*Afternoon and Sunday*

Represented Nationally by REYNOLDS-FITZGERALD  
Member: Metropolitan and Pacific Parade Groups

# Your Product

can use this...

## Power-Packer

if you make products like those listed in this invitation.

**I**f your product requires the application of controlled force to an operating part — and **IF** you would like to know how to give your equipment added sales appeal and extra speed and ease of operation — then you will want to know about the Blackhawk Hydraulic Power-Packer.

### Check These Typical Applications

A FEW OF MANY PRODUCTS SERVED BY POWER-PACKER	POWER-PACKER FUNCTION
HEAVY-DUTY TRAILERS	Lower and raise wheels
BARREL HOISTS	Raise barrel lift
ROAD FINISHERS	Control screed
AGGREGATE DRYERS	Tilt dryer cylinder
COAL CUTTERS	Position cutter arm
ROAD DISCS	Control pitch and depth
SNOW PLOWS	Raise plow blades
GANG MOWERS	Control sickle arm and raise mowers
TROLLEY BUS LIFT	Raise trolley
HIGH-PRESSURE TESTERS	Build fluid pressure
AVIATION JACKS	Raise plane
LIFTING CRANES	Clutch control
ROAD GRADER	Blade control and steering
SCARIFIER	Raises scarifier teeth
ROAD RIPPER	Raises ripper teeth
ROTARY TILLER	Adjusts tiller depth
PRESSES	Hydraulic Power
ROTARY BROOM SWEEPERS	Raise broom



### Ready to Install

The "Power-Packer" Hydraulic Pump can be furnished with standard rams — or with special rams, tailor-made for your product. Blackhawk is also the source for power-driven hydraulic pumps. For information on hydraulic controls for your future product designs — or present hydraulic applications, write Blackhawk Mfg. Co., 5300 West Rogers St., Milwaukee 1, Wis.

# BLACKHAWK

*Hydraulics*

the start, it was dynamite. President Roosevelt interceded to prevent the Navy, and other public officials from testifying before the committee, on security grounds.

• **End of Probe Sighted**—From then it was a running fight against Administration forces, with FCC Chairman James Lawrence Fly dogging the committee's trail every foot of the way.

Resentment in the House against FCC is high. The resolution to investigate the commission was adopted in January, 1943, by virtually unanimous vote.

Technically, the House committee investigation will continue. Actual observers believe that it is done—at least for this session of Congress.

• **The Next Moves**—Observers are predicting this series of future developments:

(1) Resignations from the select committee of its two Republican members, Wigglesworth of Massachusetts, and Miller of Missouri.

(2) Likely refusal of the Republican leadership of the house through Minority Leader Joseph W. Martin to name successors to Miller and Wigglesworth on the ground that the investigation has been stymied by the Administration.

(3) Insistent demand by the Republican leadership that the FCC be investigated as Congress instructed, and the promise that if it isn't done at this session, it will be at the next when the Republicans organize the house.

• **Only the Beginning**—Garvey's letter of resignation branded the committee's action in thwarting the WMCA investigation as a "patent fraud of the Congress and the public."

Observers in Washington, both in and out of radio, feel that the events last week on the radio investigation are only the beginning. They look for plenty of muckraking on the House floor at this session, in view of the coming presidential election.

### OPA LOSES HECHT SUIT

OPA, which has fared not too badly in the courts and which has never lost a case in the U. S. Supreme Court, came a cropper this week. The Supreme Court unanimously upheld the appeal of the Hecht Co., big Washington (D. C.) department store, from a lower court injunction restraining it from violating OPA price regulations, but it remanded the case to the Circuit Court to determine whether the District Court erred in dismissing an OPA complaint against Hecht.

The Hecht Co. had contended that its infringement of OPA regulations was unintentional, that it had immediately stopped the violation, and that an injunction couldn't do any more to



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## Isn't Skim Milk

Bill awaiting signature changes name to "nonfat dry milk solids" "defatted milk solids," despite F&DA opposition.

Barring a presidential veto of the bill which decrees it, dried skim milk henceforth will be known as nonfat dry milk solids or defatted milk solids.

The bill passed the Senate Feb. 21 after hours of debate in which Sen. John H. Overton, backed by the Food & Drug Administration, argued that the change was deceptive to consumers.

**Deserves Better Label**—But 46 of the Louisiana senator's colleagues, mindful of the political prowess of the dairymen, were not convinced. They contended that skim milk is a name full of opprobrium for a product that deserves a more attractive trademark. Skim milk, said Sen. Bennett Champ Clark of Missouri, is popularly considered food for hogs, while the food and vitamin value of dried milk solids for humans is not appreciated.

Overton countered with an ironical amendment that would also have changed the names of spinach to "health and strength greens," oleomargarine to "vegetable butter," and castor oil to "elixir of life" or "nectar of the gods."

**Opposition Ignored**—The House voted last October to banish the name of skim milk, ignoring a decision of the Eighth Circuit Court of Appeals upholding that portion of the Food, Drug & Cosmetic Act which deems certain foods to be misbranded unless their labels bear "the common or usual name of the food, if any there be." In approving the legislation, the House also ignored the opposition of the General Federation of Women's Clubs and the National Congress of Parents & Teachers.

Groups favoring the new names for skim milk included the Indiana Manufacturers of Dairy Products; the Pennsylvania Bakers Assn.; Land O'Lakes Creameries, Inc., of Minneapolis; the Chestnut Farms-Chevy Chase Dairy of Washington, D. C.; the San Francisco Examiner; and Ouida Davis Abbott, research chief of home economics in the University of Florida.



## Working for Helter, Skelter & Co?

Cheer up, Mr. Office Manager—many a wartime office poses even greater problems than yours. Yes, we know your troubles . . . lack of adequate equipment or proper space to put it . . . the right workers in the wrong places . . . confusion, now, where once you established order. But doubtless we can help you—even today.

**SEND FOR ART METAL'S  
"MR. EXPEDITER, O. D."**

That "O.D." stands for "Doctor of Offices," because bringing better order out of chaos is strictly up Mr.

Expediter's alley. He won't work miracles, perhaps, because much of the equipment he'd suggest isn't being made in wartime. Nevertheless, he'll have some helpful immediate suggestions.

And if you're planning a postwar office layout . . . keyed to efficient, low-cost operation . . . Art Metal's Mr. Expediter is the man you want to see—*now*. Why not invite him over? No charge, of course. Just call your local Art Metal branch or dealer, or write Art Metal Construction Co., Jamestown, N. Y.

**Makers of**  
**ART METAL STEEL OFFICE EQUIPMENT** **POSTINDEX VISIBLE RECORDS**  
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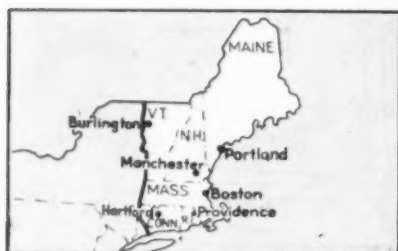
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**POSTINDEX**

**SYSTEMATIZED EQUIPMENT AND RECORDS FOR BUSINESS**

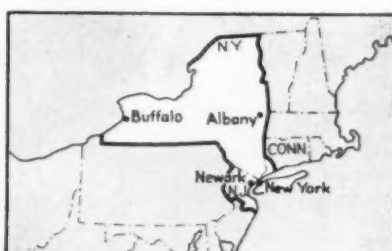
# THE REGIONAL MARKET OUTLOOK

A summary of industrial, agricultural, and other trends affecting the income and general business prospects in the twelve Federal Reserve districts of the nation for most recent month. (Last month's report: BW—Feb 5 '44, p. 102)



• **Boston**—Few remaining areas of "easy" labor supply are eastern consumer-goods towns—Lawrence, Lowell, Manchester, Danbury—though even in such cities, cotton, woolen, and shoe activities suffer from lack of workers, even more sharply than nationally. Wool textile manufacturers also are hampered by renegotiation problems in taking government orders, and by other uncertainties in civilian business.

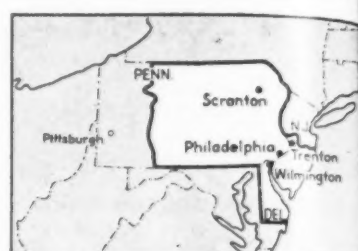
Factory jobs are fewer than a year ago in such tight labor centers as Hartford and New Haven, as well as in Springfield and Providence, where, however, war orders are not as heavy. Factory employment in the industrial area about this city is up, due to shipbuilding, which industry in general still lacks manpower, despite recent minor layoffs locally. Jewelry work and the rubber trades in Rhode Island are active, but metal and textile operations are down. Maine lumbering benefited from the mild winter.



• **New York**—District payrolls slumped recently as much because of influenza absences as because of cutbacks. Upstate New York—Buffalo, Rochester, Albany, Elmira, Binghamton—where major expansion is about over, is still short 10,000 women workers right now.

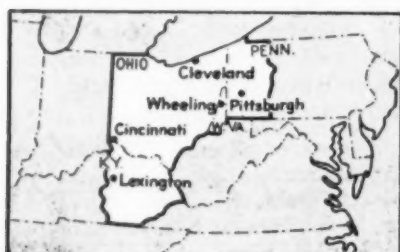
In northern New Jersey, machinery and ordnance activity have slowed, though aircraft work is still up. Many contracts run out soon, with new orders uncertain. Ordnance plants at Parlin and Belvidere, closed in December, will reopen to make antityphus chemicals, and the Raritan Arsenal is to triple overseas shipping facilities.

Meanwhile, New York City still forges ahead, having gained a net of 900 new manufacturing plants during 1943, 400 in textiles. Unemployment stays down at 60,000, as against 360,000 a year and a half ago; nonworkers now seeking jobs hold the total up.



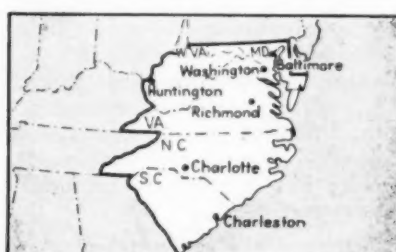
• **Philadelphia**—The industrial area about this city, with its huge naval and merchant shipbuilding payrolls, is economically sensitive to the Pacific war, since the volume of building work over coming months will depend in part on how hard we can hit the Japs with what we have. Right now, war work in general is holding up, and reconversion is limited to such changeovers as from military vehicles to trucks at Autocar and tanks to locomotives, at Baldwin. Minor layoffs at Brewster, Bendix, and other firms have been absorbed at other arms factories.

Not only hard-coal miners in the Scranton area are earning lush overtime pay in working to overcome the anthracite shortage, but Scranton war plants—awarded contracts only during 1943—are expanding employment sharply. Industrial activity in most other cities continues to run stable, with textile lines lagging.



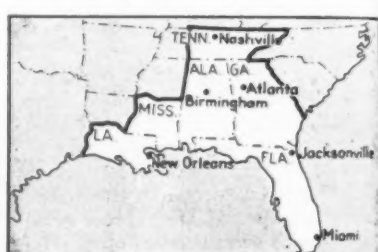
• **Cleveland**—Manpower still is tight in this region, with very few spots of labor surplus; expanding war lines overbalance contracting arms industries. Many "cutback" workers don't look for other jobs, and most that do are absorbed; thus, Akron plants are combing the towns near Pittsburgh. Though aircraft work is the stimulus in the western half of the district, coal mining—with overtime—is up in the eastern half, and steel operations are holding up, in contrast with some forecasts. Indeed, despite falling tool, ordnance, and construction work, shoe, ceramics, paper, and other lines lack labor, and now farmers are trekking back to the land.

Lack of winter rainfall continues to be a worry, though spring weather is more important for subsoil moisture, which is below normal. Last year, though tobacco boosted Kentucky receipts, Ohio farm returns lagged; 1944 may well repeat.



• **Richmond**—Manpower is still tight, and the government training and placement program for the first half of 1944 is double that for all 1943. For example, this city is now critically short of labor. Baltimore will need 5,000 new workers to build Mars flying boats, Wilmington shipyards are still seeking to expand employment. Huntington, W. Va., will require some 3,000 workers to staff new Navy plant and depots. Other West Virginia towns are busy, too—Fairmont with fluorescent lights, Morgantown with ammonia, Clarksburg with chemicals, and, of course, Charleston with chemicals.

Tobacco acreage allotments have been boosted 20%, but how much will be planted will depend more on weather and labor supply; farm receipts in the tobacco area in 1943 were laggard. Feeds for dairy-men are getting scarcer, milk output is suffering, and income in northern district rural areas is being affected.

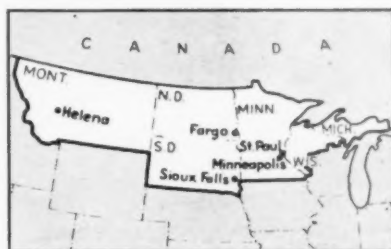
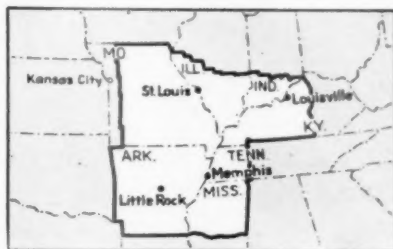


• **Atlanta**—Factory employment is still holding steady here at about the midsummer total of just over 1,000,000 workers (up by two-thirds since mid-1940). Construction jobs, which soared to 250,000 by mid-1942, are down perhaps 75% and still falling. Nonetheless, payrolls are climbing, with textiles, lumber, and similar lines losing labor—despite newly lifted wage minimums—to higher-paid war lines. Shipyards with 200,000 employees, need only small additions, but aircraft plants in Atlanta, New Orleans, and Birmingham want 25,000 more workers.

Oil discoveries in Jasper and Adams counties, Miss., and near Gilbertown, Ala., and new explorations in Georgia point up the widening postwar petroleum horizon here. Agricultural areas are benefiting from the recent gain in cotton quotations, and higher premiums on soybeans and peanuts will again fill out 1944 farm receipts.

# A GUIDE TO INCOME TRENDS

ought definitely breaks in most farming sections, with rains rebuilding subsoil moisture. Contrasts sharpen between sections with rising arms work and those suffering cutbacks. Manpower remains tight in most regions.



**Chicago**—This city and its environs are the throes of their worst labor pains; plants were built long after other war centers got theirs, and now are searching for more manpower than is available. Employment and payrolls, of course, are all belatedly zooming, while job rosters at centers like Detroit and Indianapolis, which had hit their manpower ceiling, are being squeezed down. Some smaller cities are also short of labor—Rockford, Moline, Springfield, Ill.—while others have been hit by cutbacks, such as Des Moines, where aluminum employment has been halved from a peak 20,000, and Grand Rapids, where aluminum extrusion work has stopped.

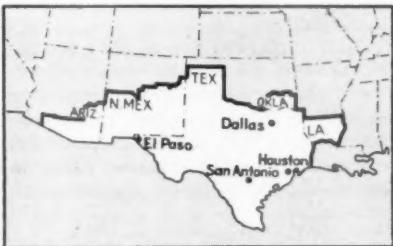
Heavy snow and rain have broken the winter drought in this region, which had done some damage to such crops as wheat, but which had primarily threatened spring-planted feeds. Hog marketings are still heavy, but a spring drop is in the offing.

**St. Louis**—New cutbacks in this region leave war output below previous peaks—in contrast to national trends. Declining arms lines predominate here over expanding ones. Thus, small arms ammunition jobs in this city will have shrunk to 35,000 next month from 60,000 last September; and over 10,000 TNT, aircraft, and other jobs have stopped. Louisville is still tight, with aircraft and rubber work expanding, and boatbuilding at Jeffersonville and powder at Charlestown, Ind., also active. Evansville is holding up, too. War work is up in Quincy, Ill., and Bedford and Tell City, Ind.; new plants at Herrin and Jacksonville, Ind., won't hit scheduled peaks.

Memphis employment is still high, but projected new plants never have been built. Ordnance work at Jacksonville and Marche, Ark., is falling, and may soon in Pine Bluff; Bauxite, Jones Mill, and Malvern aluminum activity also is apt to drop.

**Twin Cities**—Continued mild weather has helped livestock and ranges in the West, where cattle and sheep numbers compare more favorably with last year's than do the nation's. Also, shipbuilding has stayed active, iron mines have stockpiled ore, and Lake shipping can start earlier. Duluth-Superior labor is tightening and Eau Claire's ordnance plant will convert to electronic equipment (as well as to tires), but 5,000 local ordnance workers have just been laid off here. Cancellation of Army classes will hit college towns—Northfield, Winona, Collegeville, Minn., Yankton, S. D., Fargo and Grand Forks, N. D.

Peak in hog marketings has just about passed; interest in feeder hogs points to balancing of feed supplies with animal numbers. Farm income gains last year—close to average in Minnesota, well above elsewhere—are chief sustainers of rural purchasing power now.



**Kansas City**—Heavy rains and snows at one time or another in the past three months have gone far to restore subsoil moisture in most parts of this district. Winter wheat has helped, too, though crop condition is generally well below last year's. More heavy moisture is still needed in most sections, particularly Wyoming.

Industrial trends vary now. The huge engine plant here can't meet hiring needs, and over 25,000 new workers are needed in the city by July. Work at Denver's small arms ammunition plant, on the other hand, has been cut again—leaving, by next month, only 4,000 on the payroll as against 20,000 at the peak last July.

The new alcohol-from-grain plant just opened in Omaha focuses on the attention being put on research into new industries based on regional mineral and agricultural raw materials as a way to cushion sharp industrial demobilization here.

**Dallas**—Prolonged heavy rains have definitely broken the drought and restored a "bottom season" of subsoil moisture in most sections of this southwest region, just as the first cotton planting began in the Rio Grande Valley and elsewhere in the Deep South where, incidentally, receipts from winter citrus and truck crops have run high. Ranges also will green this month, relieving the feed shortage, one result of which was that cattle numbers here are up less from a year ago than nationally.

Factory employment, up 25% over a year ago (U. S. gain, 2%), is still rising despite scattered ordnance layoffs. Thus, Houston lost a gun contract, but gained a new chemical plant. Opening of a huge rubber-from-oil unit ten days ago at Port Neches highlights progress of this giant program on the Gulf Coast; aviation gas output is expanding; and crude oil production is running one-third above last year.

**San Francisco**—Spring vegetable crops are running larger than last year, and total 1944 vegetable tonnage is apt to be a new record, following the 24% gain over 1942 in 1943. Yields of noncitrus fruits also will be up over 1943's barely average crops. Finally, 5% more acres are to go into field crops this year—wheat, corn, barley, beets, beans, peas. With prices good and livestock receipts high, farm income gains in all states should again exceed the nation's, as they did—markedly—last year.

Arms payrolls are just inching ahead now, with only minor employment gains projected under the West Coast plan gearing labor needs to the manpower ceiling almost reached already. This "shakedown" also has cut excessive overtime—and pay—in some spots. Similarly, most inefficient workers are being weeded out. Preliminary plans and steps toward establishing postwar industries are growing.





## JOB CANTEEN

Under a new scheme at Birmingham, Ala., discharged service men are given a lift in finding jobs of their own choosing. Behind the "Birmingham Plan" is the Chamber of Commerce which has enlisted 60 business men

for one afternoon's service a month each in screening out applicants for jobs listed with the chamber. Typical is Charles Gamble, president of the Birmingham Gas Co., who interviews a bemedaled veteran (above). In its first six weeks, the bureau placed 100 men—some physically handicapped.

# LABOR

## Engineers Fight

In fear of being swallowed up by trade unions, A.S.C.E. has authorized its units to organize for collective bargaining.

The characteristic individualism of members of the professions, as distinguished from the mass interests of industrial workers, has set them apart from the trend toward unionization. But now the American Society of Civil Engineers, oldest professional engineering group in the country, has come to the conclusion that "for the very continuance of his professional existence" the engineer must borrow labor's technique and organize into collective bargaining units.

• **Sections Are Voting**—Accordingly, each of the 64 local sections into which A.S.C.E. divides its 20,000 members is now voting on a proposal to set up within the section a committee which can bargain collectively for engineering employees—regardless of whether they are members of the section—in all mat-

ters relating to wages, hours, or working conditions.

This is no impetuous step by the engineers. For the past six years committees of the society have been exploring the degree of unionization among engineers. Last fall, during construction of the Sunflower Ordnance Plant in Kansas, the problem of representation came to life.

• **Sought Bargaining Status**—A.F.L.'s International Federation of Technical Engineers', Architects' & Draftsmen's Unions organized the subprofessional workers in Sunflower's engineering department and then asked for bargaining rights for the entire group of engineering employees on the construction project.

The professional engineers, feeling that their minority interests would be subordinated, set up a union of their own. The regional war labor board ruled that they were not entitled to separate consideration because they had not formed their organization until after the A.F.L. union had staked its claim. (It was an intrastate dispute, hence outside the jurisdiction of the National Labor Relations Board.)

It is to forestall such incidents that

some of the engineers in A.S.C.E. want to establish themselves in legal bargaining groups, so that they can negotiate through representatives of their own choosing instead of through trade unions. The society also recognizes that an increasing number of engineers are working in large industrial establishments and need group representation on wages and hours.

• **Proposal Challenged**—At the A.S.C.E. annual meeting in New York late in January, some members challenged the proposal as out of step with professional dignity. Others feared that the NLRB would refuse to certify A.S.C.E. groups as employee representatives because a large number of the society's members are employers. But after half a day of debate, a majority voted to raise no objection to permitting each section to determine whether it shall set up a committee for collective bargaining purposes.

Affirmative votes have been tabulated by 19 of the 64 sections so far. Five of these are negotiating for contracts, two in aircraft plants, one in a large ordinance company, one in a municipal engineering department, and one in a gas utility.

• **Salary Ranges Set**—A committee of the national body has set up salary ranges in the several grades of engineering employment that can be used as a guide in negotiations. Howard B. Peckworth, A.S.C.E. assistant secretary, will assist local groups on employment matters, if they desire help, and plans are under way to appoint four field representatives.

In several decisions, NLRB has recognized that professional employees are entitled to separate consideration—provided they have organized prior to a request for bargaining rights by some other unit.

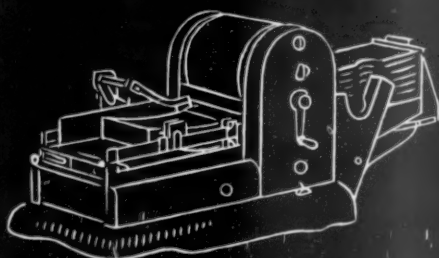
• **Chemists Exempted**—NLRB ruled in January, 1942, that chemists and chemical engineers employed at Shell Development Co., Emeryville, Calif., could maintain separate status and not be represented by C.I.O.'s Federation of Architects, Engineers, Chemists & Technicians. The professional employees were members of the American Chemical Society.

The F.A.E.C.T., which claims a membership of about 10,000, says that it welcomes the A.S.C.E. plan as an extension of collective bargaining in the professional field and that the union would like to cooperate with the society. But if, in practice, the procedure works in opposition to the labor movement, the union "intends to carry out the necessary moves."

• **Hearing Sought**—At the New York engineering offices of Arthur O. Sherman & Associates, the F.A.E.C.T.

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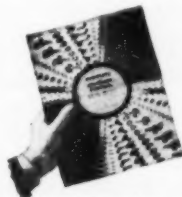
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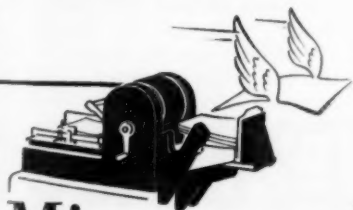
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ing man's dreams of better housing, cheaper power, finer roads.

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claims, the engineering society is trying to thwart the legally expressed desire of a majority of employees for union representation. The union is negotiating for a contract after winning NLRB election by a vote of 91 to 2.

Some 20 professional workers have filed a petition with NLRB for a hearing at which they will ask to be excluded from any union contract that may be agreed upon. A.S.C.E. says that although the 20 employees are members of the society, the organization as such has taken no formal action in the case.

## Cutback Insurance

C.I.O. begins drive for dismissal pay for workers hit by contract termination and cutbacks. WMC staff is studying plans.

The C.I.O. has begun a push to obtain dismissal pay for workers laid off as a result of contract termination and cutbacks, but the American Federation of Labor thus far has cautiously refrained from pushing similar demands for fear of jeopardizing chances of increasing unemployment compensation allowances.

● **Avoids Confusion**—The cleavage is one of approach, rather than of principle, because the C.I.O. would gladly settle for increased unemployment compensation. It hopes that discussion of dismissal pay will focus attention on the unemployment compensation problem. Meanwhile, the A.F.L. has gone slow to avoid confusing the issues.

Dismissal pay has hit the limelight with the announcement by Paul V. McNutt, War Manpower Commission chief, that he approves in principle a proposal by WMC Vice-Chairman Clinton S. Golden that consideration be given to the payment of dismissal pay as a means of persuading war workers to stay put until the war job is over.

● **To Study Plan**—Golden, on leave from the C.I.O. United Steelworkers, presented his proposal to the WMC Management-Labor Policy Committee which asked the WMC staff to study it and recommend a concrete plan.

The steel workers already had started the severance pay ball rolling in connection with pending demands for a 17¢-an-hour general wage increase in the entire steel industry. One of the union's 22 demands is for severance pay caused by plant shutdowns.

● **May Lead to Ruling**—The WMC study—which probably will go into questions of the possible effect on employment compensation—would provide a springboard for a ruling from Veterans



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originate in the engine room—start with the boilers that supply the steam, and deep in the hulls of many of these "sub busters" are C-E Boilers. Boilers built to do their job reliably and efficiently by men who have the skill, the facilities and the determination to accomplish that result.

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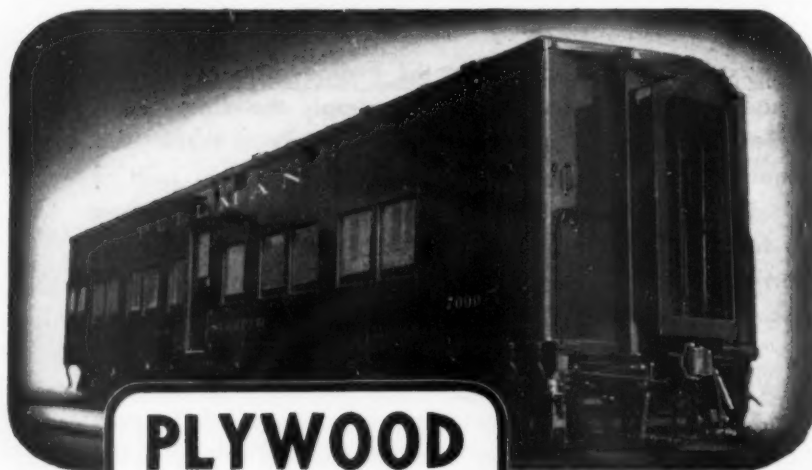
Credit for the winning of the coveted Army-Navy "E" belongs to the men and women of the Neenah Paper Company. Their loyalty and wholehearted cooperation is an inspiring example of partnership between our American workers and our American fighting forces. It is also typical of the care and effort that has always gone towards making NEENAH'S fine rag papers outstanding values in the commercial market.

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STRONGER**

STRONGER PER POUND THAN STEEL

Administrator Frank T. Hines, who has just appointed administrator of retraining and re-employment in the Office of War Mobilization.

As Brig. Gen. Hines also will be confronted with proposals to ask Congress for special unemployment compensation privileges for war veterans while they are seeking civilian employment, he may seize the opportunity to work out a program applying to both war workers and war veterans.

There are many practical difficulties in the way of general adoption of dismissal pay provisions by war industries.

• **Up to the Board**—The Joint Contract Termination Board, another reconversion agency which grew out of studies by Bernard M. Baruch and his associate John Hancock, who now heads the board, probably would have to decide under what circumstances dismissal pay could be charged to the government as an allowable cost of terminating contracts.

At present, the government recognizes severance or dismissal wage setups where they are well-established practices but it might hesitate to allow payments under a new arrangement.

• **Viewed as a Bonus**—Another question is whether manufacturers should start giving dismissal pay immediately while opportunities to secure other war work are still plentiful.

Golden's answer is that dismissal pay is a bonus to persuade workers to stay on the job. Fear that workers will quit war employment for peace employment as reconversion gets under way is one of the major factors involved in the government's decision to postpone large-scale reconversion until after the European phase of the war is over.

• **Might Be Easier**—Golden may get some support on the ground that payment of dismissal wages might be an easier, and—in the long run—a cheaper way of holding war workers on the job than national service legislation.

## A.F.L. CHEERED BY VICTORY

Although the number of workers involved was small, the American Federation of Labor is jubilant over its election victory in the General Tire & Rubber Co.'s synthetic rubber plant at Baytown, Tex. The reason: Rivalry between C.I.O. and A.F.L. unions in the unorganized plants along the Gulf Coast and the Galveston Bay Coast is intense, and the A.F.L. regards the General Tire triumph as a good omen.

The results tabulated by the National Labor Relations Board: A.F.L. Tri-Cities Central Labor & Trades Council, 137; C.I.O. Oil Workers International Union, 82; Synthetic Rubber Employees Union (independent), 38.

## Labor Courts G.I.'s

Fearing postwar reaction to strikes, unions are stressing their aid to soldiers' legislation in appeals to service men.

Organized labor now tacitly admits that it must sell itself to the service men or face a troublous future.

Leaders of labor are worried about a possible rift between workers and service men—a rift that could widen into a postwar political fight.

**Press Blamed**—Labor people are quick to blame the press. They are bitter about the so-called Marshall incident in which Gen. George C. Marshall, talking off the record to newsmen, charged that strikes and strike threats were prolonging the war; they are disturbed about the psychology which prompted President Roosevelt to ask Congress for national service legislation to impose on workers the same "obligation to serve" already imposed upon service men.

They claim that quickie strikes, absenteeism, and turnover rates have been overemphasized, and that the terrific production record of industry and labor has been soft-pedaled.

**Special Newspaper**—The Congress of Industrial Organizations has taken one of the first major steps to stem the anti-labor tide among service men—by publishing a service man's edition of the C.I.O. News for distribution to friends of union members in the armed services.

Other steps will be taken, including a joint effort by the C.I.O. and A.F.L. to persuade the Office of War Information and other government channels of information to the troops to place greater emphasis on positive production achievements, less emphasis on strikes, slowdowns, etc. The labor organizations would like the government to tell the troops more about union labor's views, political stands, etc.—in short, to convince the troops that organized labor has their interests at heart.

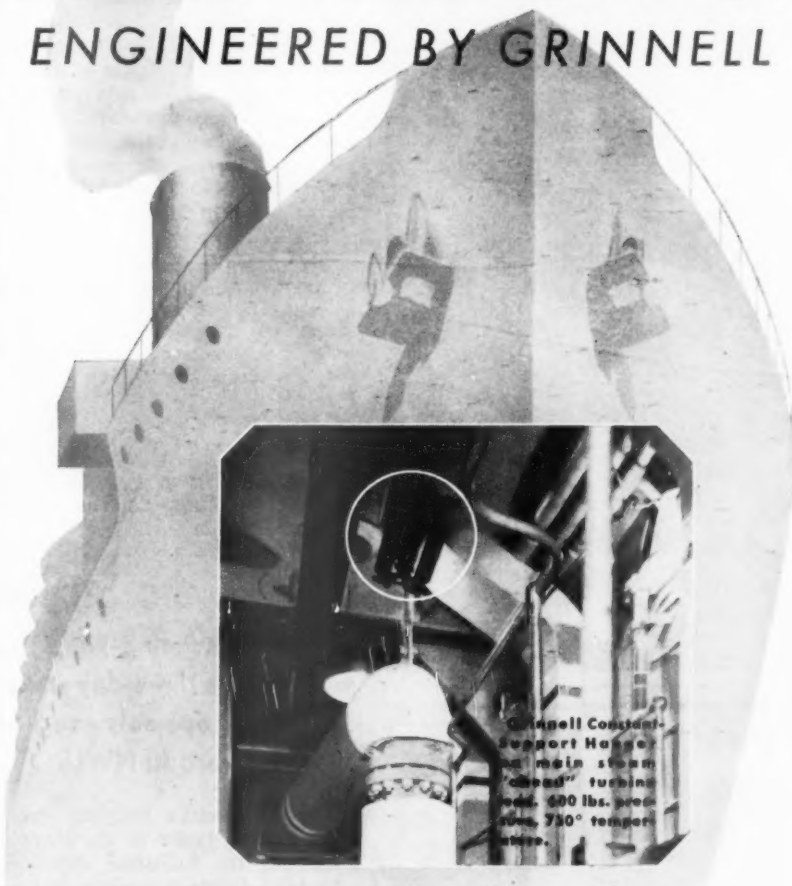
**How Appeal Is Framed**—The first issue of the service man's edition of the C.I.O. News—250,000 copies were printed—is most revealing.

Eight pages, letter size, of lightweight newsprint for easy mailing with a personal letter, the publication features an article headlined: "C.I.O. Does Job for Servicemen—Has More Than Million Members in Uniform."

The C.I.O. organ claimed credit for having helped to put through Congress increased service pay, higher allowances for dependents, and mustering-out pay. It said that the organization is advocating soldier votes by federal ballot, pro-

# FLUID TRANSPORT

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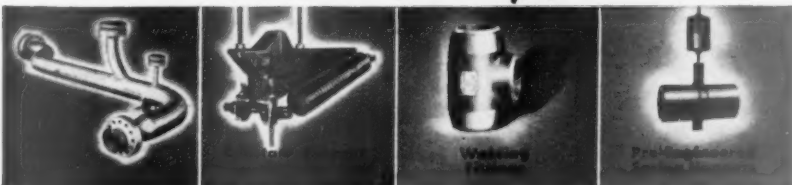
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vision for postwar education of veter-  
ans, and emergency disability aid.

• **For Returning Steel Workers**—An-  
other article stated that "hundreds of  
thousands of dollars for servicemen and  
women returning to work in the steel  
industry" would be provided under a  
C.I.O. United Steelworkers plan now  
before the National War Labor Board.

Under the plan, each steel worker  
would contribute \$20 out of any forth-  
coming wage increase to a special fund,  
with matching contributions by employ-  
ers, to be given to steel workers in the  
services when they are mustered out.

• **"Letters From Home"**—Philip Mur-  
ray, president of the C.I.O., in a special  
statement included in the issue, de-  
clared:

"We want this to be a letter to you from  
home—from your families, your friends, your  
sweethearts, and your admirers who are  
working on the production front to back  
you up to the limit and to bring you home  
victorious as soon as possible.

"We hope this paper will help to give  
you a truer picture of what American labor  
—your own flesh and blood—is doing and  
thinking and planning in your interests as  
well as its own and those of our whole  
country."

## Sheffield's Strike

Long-pending wage issue  
erupts into a three-day strike as  
company appeals regional  
board's award to NWLB.

The Southwest's fledgling steel in-  
dustry—a vital factor in the area's war-  
born bid for industrial autonomy—  
achieved a degree of maturity last week.

• **Dispute Boiled Over**—For almost two  
years, the Sheffield Steel Corp. at  
Houston, Tex., has been at grips with  
the C.I.O. United Steelworkers of  
America over wage rates. Last week  
the dispute came to a boil and the  
1,700 workers staged an outlaw strike,  
shutting off for three days the flow of  
plate from the Sheffield mill to the ship-  
yards in that area. What touched off  
the strike was the company's appeal to  
the National War Labor Board from an  
award of wage increases by the regional  
war labor board at Dallas.

• **Negotiations Deadlocked**—Last Sep-  
tember the regional board decided, after  
the company and the union had bar-  
gained to a deadlock, that wage adjust-  
ments were in order. Sheffield, wholly  
owned subsidiary of American Rolling  
Mill Co., appealed to NWLB from this  
decision.

NWLB ordered adjustments for com-  
mon labor in January, and referred other  
differences back to the collective bar-



## NEWS FROM HOME

Add to the list of overseas editions  
domestic publications the "Servicemen's Edition" of the C.I.O. News.  
The special edition, a monthly, carries  
some general news but lays heavy em-  
phasis on such union activities as the  
campaign for lower living costs. C.I.O.  
claims 1,250,000 members in uniform  
and distribution of the edition is  
planned through unions and relative

gaining table with the provision that,  
the event the company and union were  
not able to come to an agreement, the  
regional board's decision would be  
final.

• **General Increase**—Early in February  
the regional board awarded an average  
increase of 12.9% to all Sheffield work-  
ers (the company had been willing to  
pay 8.1%). When the company de-  
cided last week to appeal this award to  
NWLB, the day shift walked out and  
the other failed to report. Under the re-  
gional board's refusal to consider the  
dispute until the strikers returned to  
work, the walkout ended three days later.

Although built by private capital, the  
Sheffield Steel mill is undergoing exten-  
sive expansion. Defense Plant Corp. is  
building blast furnaces to enable Shef-  
field to make use of native ores in pro-  
duction of pig iron.

## WANTED—POSTWAR JOBS

Some idea of the magnitude of the  
unemployment problem which will con-  
front the Portland (Ore.) area when the  
war ends is apparent in the recent sur-  
vey of employees of the three Kaiser  
shipyards there. The survey involved  
four-minute personal interviews with

81,881 of the 91,036 Kaiser yard workers.

No postwar job prospect is in sight for 86% of these, they told the interviewers; of the remaining 14% who do have jobs waiting for them, only 5% said their future jobs are in the Portland area.

Yet 21.3% of those interviewed asserted their intention of remaining in Portland, and another 30.6% said they will stay if jobs are available. Only 23.6% declared without equivocation that they will leave for their home cities when their war jobs are finished. The rest were on the fence.

Thus Portland must find jobs or provide relief for a minimum of 17,400 displaced shipyard workers as soon as hostilities cease, with the possibility that another 25,000 will hang on for indefinite periods in the hope that peacetime jobs will open up for them.

## 50¢ Isn't Inflation

So decrees Atlanta arm of NWLB. At employers' request, it will sanction increases up to that level in the Southeast.

Because the regional war labor board at Atlanta sees nothing inflationary in wage rates of 50¢ an hour, some 3,500,000 to 4,000,000 cotton textile workers in the Southeast seem destined for more pay.

• **Employers May Apply**—On its own initiative, the board decided that it will approve voluntary increases of minimum wages up to that level for any employer within the board's jurisdiction who chooses to apply for permission.

To preserve as far as possible normal wage differentials within a plant, the board also will sanction equivalent increases in rates above the 50¢ minimum up to a top of 70¢. And in certain industries where the differentials are narrow (notably cotton textiles), the increase will be given uniformly across the board.

• **Subject to Prices**—First to receive approval was Cannon Mills, Kannapolis, N. C., which employs some 40,000 workers in nine mills in North Carolina, South Carolina, and Georgia. The proposed 7½¢ increase across the board is subject, however, to approval of higher price ceilings by OPA and Economic Stabilization Director Fred M. Vinson.

A number of other mills also have applied to the regional board, some without the price-bulge qualification.

The machinery for voluntary increases does not affect pending wage disputes,



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**MARSH**

one of which emerged this week into the fact-finding stage with the appointment of a tripartite panel to review the issues between the C.I.O. Textile Workers Union and some 20 southern cotton textile companies. The union is demanding a general increase of 10¢ an hour and a minimum wage of 60¢ an hour.

• **To Prevent Inflation**—Explaining its 50¢ formula, the regional board noted that its sole responsibility is to head off such wage rises as would have an inflationary effect—a category in which the board does not place a rise to 50¢.

Adjustments above 50¢ an hour in the unexpected cases are to be determined by: (1) needs of immediately interrelated job classifications; (2) maintenance generally of the established differentials in wage rates for various jobs in the plant; (3) the peculiar characteristics of the wage structure in that plant and in that industry.

### FIGHT OVER "JIM CROW"

Whether unions have the legal right to deny Negro war workers membership in their regular unions and can compel them to join "Jim Crow" locals is to be tested in the California Supreme Court. The question has caused a heated battle between 1,700 Negro workers at the shipbuilding plant of Marinship Corp., Sausalito, Calif., and officials of A.F.L. Boilermakers Local 6.

The Negroes won the first round when they obtained a Superior Court injunction restraining the union from shunting them into an auxiliary local. The injunction also restrained Marinship Corp. from discharging, or refusing to employ or re-employ workers who do not have a clearance from the union, and declared that the union shall not refuse to admit Negroes to Local 6, or refuse membership fees which may be offered by the Negroes.

In accordance with their working contract with the union, Marinship officials previously had fired and refused to hire Negroes declared by the union to be not in good standing because of their refusal to join the auxiliary. Marinship is willing to abide by the Superior Court injunction, but the Boilermakers announced last week that the case will be appealed to the State Supreme Court.

### ELECTION PETITIONS GROW

The National Labor Relations Board received in 1943 fewer charges of unfair labor practices and more requests for secret ballot elections than in any other five preceding years.

Of 9,543 cases filed with the board, 64% involved election issues and 36% unfair labor practice charges. More than 75% of the elections involved only

one union. The board disposed of 9,743 cases, including 2,860 that were pending at the beginning of the year.

Since Pearl Harbor, NLRB has conducted an average of ten elections daily in war plants; more than 2,500,000 workers cast ballots.

### BACK WAGES CLAIMED

New grounds for obtaining back pay are cited in claims being filed by the C.I.O. United Automobile Workers Union with Ford Motor Co. in behalf of some 4,000 Detroit area employees. The claims are made under government regulations that workers on any war construction job be paid prevailing community rates.

The employees are maintenance men who worked on new construction in the Ford works at River Rouge and elsewhere. Outside contractors also worked on these jobs, according to C.I.O. attorneys, and paid their men regular A.F.L. craft union wages, higher than those paid the Ford workers.

The company has taken the viewpoint that the claims are not legal, and that the pay rates of the maintenance men are governed by the current U.A.W. contract.

If the claim is rejected, a parallel may be drawn with the lengthy Detroit argument over skilled craft rates in "captivity" and outside tool and die shops. A 10¢ differential—considerably less than most of the claims made in the Ford matter—exists in favor of workers of outside shops, since their employment is not as stable as in shops owned by producer companies using the tool and dies made by their own craftsmen.

### BOTANY MILLS NEEDLES NWLB

A demand by the C.I.O. Textile Workers Union for recognition has tangled the Botany Worsted Mills of Passaic, N. J., with both the National Labor Relations Board and the National War Labor Board. So the company has appealed to the courts to straighten the matter out.

Botany sued in the U.S. District Court for the District of Columbia to force NWLB to act immediately on pending applications for wage increases for 4,000 employees. NWLB has refused to act, in the absence of union consent, because a company protest was pending against an NLRB collective bargaining election at the plant on the ground that an opportunity was not provided for service men on leave from the company to vote by absentee ballot.

As a matter of policy, NWLB does not pass on wage increase applications not pass on wage increase applications proposed by employers while labor disputes are in progress.



# THE WAR AND BUSINESS ABROAD

BUSINESS WEEK

MARCH 4, 1944



Despite the battering that United Nations bombers are handing the Nazis (chart, page 120), and despite the steady retreat of Axis forces along the Russian front, Nazi political prestige in Europe is momentarily strong.

The Nazi propaganda machine is taking full advantage of the Allies' slowness about launching their invasion of western Europe and completing their drive on Rome to sell the satellites and southern European neutrals the idea that victory for the Axis is still a possibility.

The retreat from Russia is described as orderly and planned.

Nazi air raids over London are greatly magnified. (The Feb. 2 Berlin communique claimed 900 planes raided the British capital; London could count only 90.)

The Nazi removal of property from occupied territory has reached such proportions that local populations are beginning to despair over the problems of reconstruction.

Germans, meanwhile, enjoy the privileges of the victors.

During 1943, the Nazis supplemented their own harvest with imports of 100,000,000 kilos of grapes from France, the entire French output of cider apples, and the whole French perfume production.

Nazi prestige is also enhanced for the moment by the success of the fascist coup d'état in Argentina, Franco's staunch refusal to break with the Axis (page 117), failure of the Allies promptly to force little Finland out of the war, and by the inability of the United Nations to agree on a program for rehabilitating Europe after the war.

Failure of the Allies to agree on specific terms of surrender for the Nazis plays into the hands of Hitler and increases the possibility of a breach in the United Nations front as soon as the Axis collapses.

Viewed from all angles, however, the war is not going badly for the United Nations, and this fact cannot long be concealed from Axis Europe.

There will be no letup in day and night air attacks by the Allies.

Bombing out of Hitler's airplane factories helps assure Allied air supremacy when the invasion comes. Wiping out gasoline stores will follow, to immobilize his ground transport.

Watch Burma during the next few weeks. Recent skirmishes along the Indian frontier have been successful. Next move may be a bold Allied thrust from India to grab the Andaman Islands in the Bay of Bengal and isolate Japanese forces in Burma.

It should come during the next three months before the monsoons and, if successful, would free vast supplies of Burmese oil to support an air and naval attack on the Malay Peninsula and Singapore. Also, Burma normally produces enough surplus rice to meet any famine threats in India.

Serious problems are developing in Chungking which may force a speedup of the war in the Pacific.

Inflation is getting dangerously out of control (BW—Feb. 12'44, p39). This is again intensifying the political rupture between the Chiang Kai-shek government and the powerful Communist groups which still control vast areas in the northwestern provinces.

Tipoff that the situation is again alarming came with the recent removal

# THE WAR AND BUSINESS ABROAD (Continued)

BUSINESS WEEK  
MARCH 4, 1944

of T. V. Soong as Minister of Finance. Soong (brother of Mme. Chiang) wants China to modernize as rapidly as possible and has hired western engineers to draw up plans for vast postwar industrial developments (BW—Feb. 5'44, p111).

**Old reactionaries, suddenly more frightened over the prospect of modern competition than of Japanese domination, forced Soong's removal.** H. H. Kung, his successor, is bitterly anti-Japanese but is willing to play ball with the conservative element in China to the extent of delaying radical progressive postwar plans.

•  
**China is bound to be one of the main beneficiaries if Congress supports the President's appeal this week for legislation to extend the good neighbor program to other parts of the world.**

First demands will be for transportation equipment: rails, locomotives, freight cars; bulldozers and graders for highway construction; trucks and buses. Several Liberty ships have already been assigned to the Chinese (BW—Feb. 12'44, p15), and more will be turned over to them when the first Chinese ports are liberated.

•  
Mexico currently provides an example of the economic effects of this country's good neighbor policy.

In the last month, U. S.-made agricultural machinery worth \$4,000,000 has been delivered, despite strict control over production and export. Mexico is expected to boost food production through use of the new equipment.

**Under consideration now is a plan to pipe oil from the rich fields around Tampico to a big new refinery near Mexico City where 1,000 bbl. of high-octane aviation gasoline will be produced daily to supply Mexico's biggest commercial airport (BW—Feb. 26'44, p121).** Export-Import Bank will provide \$10,000,000 to the National Bank of Mexico to finance the deal, and Arthur McKee of Cleveland is expected to build the refinery to specifications already provided by Phillips Petroleum Co. This line would be in addition to the two proposed Army pipelines across the Mexican isthmus (page 8).

•  
**Look for railroad improvements in Mexico** as soon as locomotives and rolling stock can be spared from the battlefronts. Recommendations for new lines and new rolling stock have already been drawn up by a U. S. Technical Railway Mission.

The Mexican Commission of National Economic Coordination has recently completed a survey of the possibilities of developing chemical industries within the country. Immediate recommendations call for new plants to make fertilizer, pharmaceutical products, dyes, pigments, essential oils, perfumery, and cosmetics with an initial output of at least \$20,000,000 a year.

•  
Fresh evidence of Canada's desire for closer postwar trade ties with the U. S. turned up this week (BW—Feb. 5'44, p111).

**A poll on the question of over-all free trade with the U. S. after the war showed that seven out of every ten Canadians favored the idea.** In the western provinces, the poll showed 77% of the voters plugging for free trade.

Even more startling to business leaders was the appeal by Graham Towers, governor of the Bank of Canada, for a **postwar policy devoted to specialized production for export** in which the Dominion would have a competitive advantage, as against a policy of self-sufficiency backed by high tariff protection for uneconomic industries.

# BUSINESS ABROAD

## No Madrid Crisis

**Allies will not crack down on Spanish tungsten now at risk of upsetting invasion timetable. Action would achieve little.**

Don't look for any immediate change in Madrid's attitude toward the Axis, despite Washington's decision to extend through March the month-old embargo on all shipments of oil to Spain (BW—Feb. 5 '44, p. 111).

Actually, there is little consistency in Washington's attitude toward the Franco government. At the same time that it is refusing to supply Spain with oil, it is paying a tremendous price for tungsten mined in the peninsula—not because we need it but ostensibly to keep it from falling into the hands of the Axis.

• **Portugal's Door Open**—Also, while the United Nations are keeping at least part of Spain's tungsten out of Axis hands, they have done nothing to stop the flow of Portuguese tungsten to Germany, though only a few months ago the Lisbon government became a sort of half-ally by granting bases in the Azores to the British.

The contradictions of these and other moves are responsible for the contempt which Madrid shows toward each new demand from Washington.

The tungsten deal, especially, is a joke among the Spaniards and the Portuguese.

• **Smuggled Ore Aids Axis**—As a hardening alloy for steel, tungsten is desperately needed by the Axis. There are other supplies in Europe, but they are small and in most cases the ore is of lower grade.

On the plea that it would be unneutral to shut either side out of the business, Madrid long ago hit upon a plan of selling its tungsten output on about a 60-40 basis to United Nations and Axis respectively.

Spanish tungsten, however, is found near the surface and is "mined" by farmers as an extra "crop." Scattered as the industry is, it is difficult to police, and there is little doubt that large quantities have been smuggled into France.

• **Trade Barriers**—As prices and production soared, Spain was able to build large dollar balances, because shipping and production restrictions in the United States make it impossible for the Spanish to get more than a small

proportion of the equipment and supplies that they would like to buy in the United States with these dollars.

At various times the Spaniards have been accused of using the accumulated funds—either directly or through deliveries of imported supplies bought with them—to settle the government's civil war debt to the Germans.

• **Lisbon Needs Imports**—Portugal actually produces more, and higher-grade, tungsten than Spain, and admittedly sells about half its supply to the Axis. Some who criticize the Allies' failure to dam this flow insist that Lisbon officials would welcome the opportunity to sell the entire output to the United Nations in exchange for some badly needed imports. No one seems to know why tungsten was not made part of the Azores deal.

Washington insists that there is another side to the story.

• **The Allied Viewpoint**—For more than a year after Pearl Harbor, the United States needed desperately the supplies of cork that could be procured in quantity only from Spain and Portugal (map). England, at the same time,

welcomed whatever copper and mercury were available.

Also, while the U-boat campaign was at its height, and the possibility of Nazi moves across Africa to South America was a threat, London and Washington could spare neither the men nor the ships to risk a showdown with Spain.

The picture began to change as soon as the United Nations landed successfully in Africa, in November, 1942. By May, 1943, when the last Axis troops surrendered in Tunisia and the Mediterranean was reopened under complete United Nations control, the crisis had passed, but not all of the danger.

• **No Showdown in Sight**—A tight economic blockade would quickly force Spain into line, but it would also overthrow Franco. Neither Washington nor London would support the Franco government in a crisis, but Hitler would.

In the eyes of Washington, such a showdown now—with the inevitability of a military sideshow in Spain as well as Italy—would be more costly in terms of a delayed invasion across the Channel than is the disadvantage of a small flow of vital supplies from Spain to Germany.

That is why Washington and London will take no decisive action to force a real showdown with Spain during the next few months.

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## Argentine Oasis

Exports of liquors to U. S. increased fourfold during 1943. Domestic reserves are reported close to bottom of barrel.

BUENOS AIRES—Buyers, quick to turn an honest dollar to slake the growing thirst of American tipplers, have ranged the length and breadth of Argentina in recent months snapping up potable liquors for the U. S. market.

• **Exports Tell Story**—Figures on exports to the United States are the measure of their success—exports of some lines rose during 1943 as much as 1,600% over 1942:

	1943 (Gross Tons)	1942
Vermouth .....	2,820	1,154
Gin .....	1,579	89
Wine .....	910	104
Liquors .....	428	28
Champagne .....	111	31
Molasses spirits .....	42	...
Cognac .....	21	38
Total .....	5,911	1,444

• **Barrel Nearly Empty**—Although there are signs that Argentina is about to scrape the bottom of the barrel for export liquors, only a few weeks ago another 2,000 cases of grain gin were loaded for export to the U. S.

Chief item of export, vermouth, is practically all handled by Francesco Cinzano and Martini & Rossi, long established in Argentina as the main local suppliers. These firms are not only keeping alive the reputation in the U. S. market of their Italian parent companies, but are establishing a name for the Argentine product (BW—Jul. 27 '40, p48).

Alarm over the possibility of a domestic shortage, as a result of increased exports, reached a new high recently when it was rumored that Argentina's largest grain alcohol producer had sold its holdings to a U. S. investor.

• **Distillers Merge**—What had happened, however, was consummation of a deal begun late last year between Hiram Walker-Gooderham & Worts, Ltd., and Mattaldi-Simon, Ltd. (Argentina), S. A., resulting in the formation of Destilerias Hiram Walker & Sons (Argentina), S. A. Hiram Walker laid down 12,000,000 pesos (about \$3,600,000) last Nov. 15 and was officially authorized to operate under its new name on Dec. 7, 1943.

Harry C. Hatch, president of the parent company, is listed as the only foreign member of the local board of directors which is made up of Argentine business men. Adolfo Luis Rosen-

berg, prominent Argentine lawyer, is president of the concern.

• **Little Firms Pinched**—The future of many smaller Argentine distillers is unclear, however, because they had been heavily dependent upon Mattaldi-Simon for their supplies and since Hiram Walker took over deliveries have been rationed to old customers.

Profits of Mattaldi-Simon, which includes an agricultural establishment, a creamery, a peanut-oil refinery, and other minor interests—not taken over by Hiram Walker—were 1,110,000 pesos (about \$330,000) for the year ending June 30, 1943.

## Taxes in Brazil

New excess-profits levy offers cancellation of sum due in exchange for promise to buy imported industrial equipment.

SAO PAULO—After a bad scare while a really tough excess-profits tax was being debated—Brazilian business men are accepting the new law with only the usual amount of beefing which accompanies any new tax measure.

• **The Tax Formula**—The new excess-profits tax is less severe than the original proposals which would have been nearly as tough as similar taxes in the U. S., Britain, and Canada.

The tax law fixes the base for non-taxable profits as the average profit for any two consecutive years (to be selected by the taxpayer) between 1936 and 1940, inclusive, plus an additional 50% of such average profits, and plus exemptions for funds invested in the business. Any excess profit above the two-year average (plus the 50% and other exemptions) is to be taxed on a sliding scale starting with a 20% tax on excess profits up to 100% above the base, and rising to 50% on profits up to 300% above the base.

In the original tax proposal, the base years were set as 1939 and 1940, with the tax sliding from 5% on excesses up to 20% to 50% on excesses above 60%.

• **A New Twist**—Concerns which feel that the tax is excessive are given the option of paying excess-profits taxes after exemption of 25% of their capitalization. Firms making less than \$5,000 profit are exempt from excess-profits taxation.

A new twist introduced by the Finance Ministry virtually offers business a cancellation of excess-profits taxes in exchange for promises to buy imported industrial equipment.

• **How Proposal Works**—Under this option, a business is required to put



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**T**HE Treasury "Star" Flag—the bond-buying counterpart of the Army-Navy "E"—marks plants with at least 90% of personnel participating in the Payroll Savings Plan to at least 10% of gross payroll, and also having reached, or topped, a War Loan Drive quota!

The successful close of the 4th War Loan Drive finds many more "Star" Flags than ever before flying over the industrial plants of America. To all these, go the heartiest thanks of the nation, and the deep appreciation of the Treasury Department for a great job! And to those who may not quite have qualified for the "Star," go equally sincere thanks—and the confidence that soon they, too, will join the ranks of the "Star" fliers.

One thought that many concerns have

found helpful in stepping up the intake from their Payroll Savings Plans is this. In many cases the Treasury Representative in a plant has been able to point out the fact that during *Loan Drive periods* the employees have found it possible to spare much more than they had counted on when setting up their original subscription, and that—when properly approached—a very substantial fraction of such employees will decide they can well afford a distinct increase in their current Payroll Savings Plan.

Talk this over with your Treasury Representative—it offers important possibilities when correctly handled. And again accept the Treasury Department's congratulations for your fine work in helping to put over the 4th War Loan.

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Guarantee deposits are releasable after Jan. 1, 1946, if war conditions permit, although earlier withdrawal will be allowed if money is needed to reinforce proved business losses or to make authorized utility investments. Deposits may be withdrawn without cause if the forgiven excess-profits tax is paid.

• **Curb on Inflation**—Reasons given by the Finance Minister for introduction of the excess-profits tax only a few months after boosting tax rates on normal profits were: (1) to counteract inflation; (2) to amass reserves for postwar industrialization and public works.

Many traders and manufacturers, who made immense profits by taking advantage of shortages to push up prices, have aggravated the inflationary situation by rushing to invest their gains in land, houses, apartment buildings, stocks, etc. Living costs have soared an estimated 80% to 100% since 1939.

• **Spend Higher Wages**—Higher consumer income during the war has wound up mainly in the hands of business men and manufacturers because of the steady

rise in the prices of consumer items.

One Brazilian economist estimates the profits of Rio de Janeiro-Sao Paulo business concerns for 1943 at between \$300,000,000 and \$350,000,000. Instances are common of firms making four to eight times their capitalization in a single year, with others credited with profits 60 to 100 times greater than their prewar profits.

Unofficial estimates of the funds to be acquired by the government, as a result of the new tax, range from \$50,000,000 to \$100,000,000.

## CANADA

### Liquidation Plans

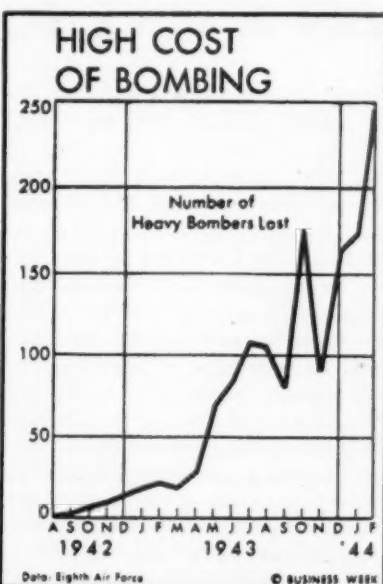
Mackenzie King proposes separate department to handle reconversion problems. Whole question is due for debate.

OTTAWA—In framing policies for the disposal of surplus war assets, the Canadian administration has its fingers crossed. Main fear is that when the work is all done, Parliament will step in and exercise its overriding right to fix policy. At the same time, there is some indication that Ottawa might like to

ever. It does not take into account the number of planes lost in landing and taking off; it does not tell how many "heavies" limp home in irreparable condition on a wing and a prayer; it does not tell of planes returning with depleted crews; nor does it include the steady toll of ordinary wear and tear. It is because the real toll is much higher that large-scale around-the-calendar bombing is still not possible (BW—May 15 '43, p. 46). Weather is a contributory cause.

In addition, because German cities have been walloped again and again, only to become the targets for further raids, immediate claims of damage must be heavily discounted.

Nevertheless, the "elaborate plan of bombing priorities," mentioned by Prime Minister Churchill, is to be followed until immediately before and during the landings in western Europe when a once-and-forever series of raids may be launched without consideration of the cost.



Last month the U. S. admitted the loss of 245 heavy bombers in Eighth Air Force operations over Europe—a cost of \$125,000,000 and at least 2,500 crew members.

This is not the whole story, how-



shift responsibility from administrative to legislative shoulders because of possible kickbacks from any misstep.

• **Due for Debate**—The whole question is due for parliamentary debate when the Commons and Senate committees, in session off and on for nearly a year now, report on their reconstruction and rehabilitation plans.

Dominion business men are anxious to obtain more effective consideration for their ideas on war-end problems, and they think that a centralization of authority might achieve that objective. They see some hope in the bill which Prime Minister W. L. Mackenzie King soon will introduce in Commons for the creation of a separate department of reconstruction.

The new department, with its own cabinet minister, deputy minister, and administrative machinery, may be given prevailing jurisdiction over agencies vested with authority to dispose of war plants and equipment.

• **A Loose Setup**—Disposal policy is now in the lap of an interdepartmental group of senior government officials, the Crown Assets Salvage & Disposal Committee. Actual disposal agency is War Assets Corp., in Montreal. It is responsible to Munitions & Supply Minister C. D. Howe. The agency in which ownership of war plant equipment is vested is another crown company, Citadel Merchandising Co., also in Montreal. This loose-jointed setup may be swept into the proposed reconstruction department.

Ottawa owns war factories and equipment valued at about \$800,000,000, most of it installed by the Munitions & Supply Ministry, some of it taken over from the British government. Assets include more than 30,000 machine tools in both private and government factories. The two Montreal disposal concerns are drafting plans for liquidation of these properties.

• **To Interpret Order**—Although the directors of War Assets Corp. and Citadel Merchandising Co. are mainly business men, Canadian industry is eager to have a direct hand in interpreting the meaning of the order in council which created the disposal units. Under this order, disposal is to be carried out in keeping with the interests of the national economy, a subject on which business has rather definite ideas.

• **Unified Planning**—Some months ago a Federation of Heavy Industries was formed in Canada to unify business post-war planning. This organization is sponsoring a proposal that government-owned factories and equipment be used to replace obsolete plants, especially those located in big city slums. The government would be asked to offer price inducements to owners of plants ready for scrapping.

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"The remarkable speed, stamina and convenience of CUSHMAN Auto-Gliders are helping win the battle of production!"—say scores of great war-time factories!

There's nothing like a CUSHMAN to break "delivery" bottle-necks! A CUSHMAN, and only one operator, replaces many foot messengers—delivers big loads of mail, repairs, etc.—carries inspectors, messengers, etc. It moves 'throughout the factory easier than other transportation. It speeds deliveries... cuts costs... saves manpower.

CUSHMAN Floating Drive applies power as smoothly as Fluid Drive! Eliminates clutch pedal, gear shift! Merely touch hand accelerator to start, travel any speed up to 35 mi. an hour. Flashy pick-up.

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**WRITE** The Army, Navy, Air Force and many large "war plants" take a large part of our output. However, you also may be able to qualify. See your dealer or write us.

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Assured reduced flat rates household shipment to and from anywhere. California and other West Coast point specialist. Quotation by phone or mail. Free thirty day storage. Fireproof warehouse.

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**wanted—pattern work**

• **OLDEST ESTABLISHED** pattern and machine works on Long Island can take on additional wood and metal pattern work. Eppenbach, Inc., 4510 Vernon Blvd., Long Island City, N. Y.

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• **DO YOU WANT** Post-war distribution in Canada? We are sub-contractors for a large Canadian Automobile Manufacturer on war material. Have 14,000 sq. feet of factory space, equipped for light manufacturing, 72 on payroll. Interested in agency for post-war sales and distribution in Canada on automotive or general product—imported complete or for assembly or finishing in Canada. Write us in strictest confidence. Butcher Engineering Enterprises Ltd., 258 Chilver Road, Windsor, Ont.

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"clues" ads are published as space is available. Rate: 50 cents a word; \$2.50 per line. Minimum \$5.

# THE MARKETS

(FINANCE SECTION—PAGE 83)

Stocks were more active last week, and some of the industrial "specialties" responded favorably to this rise in trading activity. Except for the performance on one day, however, the price improvement registered by the industrial group, as a whole, was nothing to write home about, for, once again, it was the rail and utility stocks which were responsible for more than their share of the increase in volume.

Also, it was the rail and utility shares (plus the speculative rail bonds) which provided whatever excitement the rally may have generated.

• **Tax Revolt a Factor**—Last week's rally, according to Street gossip, had its origin in the favorable reaction in brokerage house board rooms to the revolt in Congress over the tax bill (page 17).

Once again, a 1944 general rally proved to have little substance behind it because the higher prices resulting weren't used subsequently as a base for any over-all advance. Instead (probably under the influence finally of Marshal Stalin's optimistic message to President Roosevelt), the higher prices seemed more like a signal that a number of those worried about future war uncertainties had been awaiting.

• **Profit-Taking Increases**—In fact, many daily trading sessions have seen increasing sales for profit-taking purposes, rather than any new accumulating of stocks for future holding.

This factor has thus far caused the wiping out of a large part of the gains scored earlier, and, with sales volume only 10% under the million-share mark, the Big Board on Tuesday of this week

actually experienced about the wildest price-shakeout on stocks it had seen for some days. Also, on the same day, the speculative railroad bonds, which for some time have been consistently strong, showed definite signs of weakness.

• **Technicians Bearish**—The further failure of the industrial stock-price average to break out of the trading rut it has been in since early January continues to hold the attention of the Street's market technicians. As a result, most of that coterie (as well as many analysts not included among the "chart readers") remains bearish about the near-term market outlook.

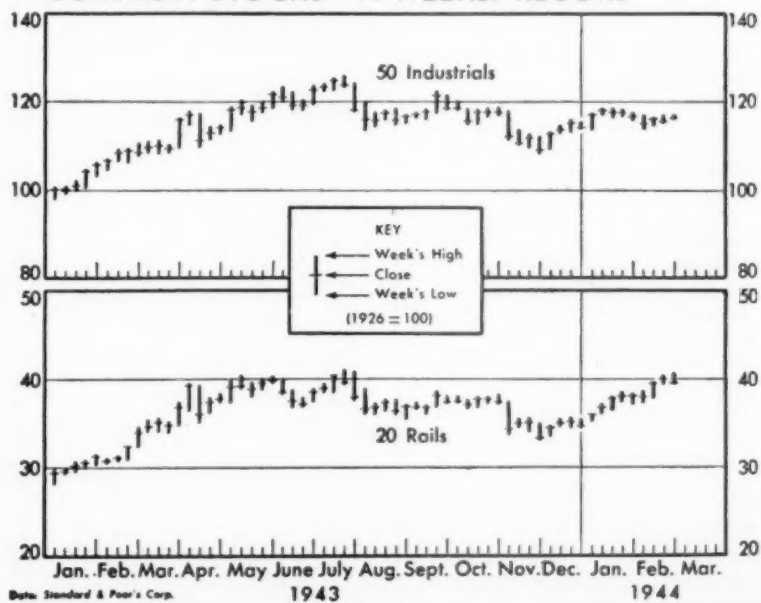
For one reason or another, though uncertainties concerning the invasion and possibility of a nearby European peace do play a substantial part in the calculations of the different schools of thought, much Wall Street opinion differs now only as to the size of the change expected before long in stock market indexes. In this group, there seems to be agreement on the direction of the expected move.

## Security Price Averages

	This Week	Week Ago	Month Ago	Year Ago
<b>Stocks</b>				
Industrial ...	116.2	115.5	116.8	108.6
Railroad ....	39.5	40.0	38.2	34.1
Utility .....	51.0	50.3	50.5	42.4
<b>Bonds</b>				
Industrial ...	119.5	119.1	119.4	116.4
Railroad ....	105.5	106.0	105.1	93.9
Utility .....	115.7	115.8	115.6	111.8
U. S. Govt. ...	112.8	112.7	112.0	109.6

Data: Standard & Poor's Corp. except for government bonds which are from the Federal Reserve Bank of New York.

## COMMON STOCKS—A WEEKLY RECORD



Data: Standard & Poor's Corp.

# THE TRADING POST

## Regional Report

As each new year rolls around we meet something new in the way of corporation reports. For a long time, only the "insiders" were supposed to be interested in them. Then the ordinary stockholder got a break, and reports were put in such shape that he could see what was happening to his business. During recent years, many companies have taken pains to make their reports available and intelligible to their employees and the public at large. In short, the corporations have recognized more and more that their business is everybody's business, and they are trying to make that business clear to everybody.

This year comes something that, as far as I know, is new. A national corporation has submitted a report on its 1943 operations to the people of a state. Socony-Vacuum Oil Co. prepared a special report on its New York operations as distinct from its nation-wide and foreign business. In doing this, the company aims to point up its assertion that "a corporation, like the state itself, is really a collection of small enterprises, contributing to the welfare of many small communities."

Aside from its interest as a new departure, this report deserves notice for its very cogent description of what a business enterprise is and how it functions to serve the general well-being. Let me quote its opening paragraphs:

A business enterprise makes itself useful in various ways: First of all, it manufactures a product—or performs a service—which the public wants. Second, it creates jobs, by which men and women can earn their living. Third, it pays taxes to help support the government. Fourth, it provides an investment opportunity for those who want it.

Products—jobs—taxes—dividends: these depend upon profit. Without profit, the enterprise could not long provide a competitive product, since it would be unable to improve its plant or its materials or its equipment. It would be unable to meet the payroll. It would be unable to pay taxes or dividends.

It is the same whether a business is large or small.

Socony-Vacuum is a large corporation operating through the United States and, in peacetime, in most foreign countries. But its business in any community is small business, depending upon the good-will of that community and affected by the good or bad conditions that occur there.

Then swinging into 1943, the report describes the company's operations in New York State. The following is a greatly condensed version of its substance.

**Products**—In 1943, Socony-Vacuum dis-

tributed in New York 800,000,000 gallons of oil products, outside of war sales.

**Jobs**—In New York State, Socony-Vacuum employed, directly, 6,728 people in 1943, and paid them a total payroll of \$21,300,000. In addition, it rented 1,216 company stations to independent operators, while about 5,000 other dealers sold its products at their own stations; thus providing employment and income for an additional estimated 12,000 people.

Indirectly, the company employs many more. Its New York City purchasing department bought during 1943 from more than 3,000 manufacturers and merchants materials in the sum of about \$18,000,000. In addition, the company paid \$3,600,000 for repairs to its own barges and tankers. And it paid \$1,800,000 for new capital investment in marketing and manufacturing in the State.

**Taxes**—Like other corporations, Socony-Vacuum pays very large federal income taxes and acts as collector for the federal and state governments in the gasoline tax. In New York State alone, the company paid \$2,900,000 in taxes in 1943, including real estate, franchise, and unemployment insurance. It paid, or provided for paying, \$9,500,000 in gasoline taxes collected from customers in New York State.

**Dividends**—Among the 116,000 stockholders in Socony-Vacuum, about 35,000 are listed as being in the State of New York. To these stockholders, Socony-Vacuum paid about \$8,000,000 in dividends during the year, in return for the use of the money which they invested. It is estimated that about half of the company's bonds are held by individuals or corporations within the state, and the interest payment on this half amounts to about \$1,750,000 a year.

It is not possible to calculate the profit on New York State operations by themselves. On the average, total profits have amounted during the past five years to a return of about 5% on the company's net capital investment—or about six-tenths of a cent a gallon on its products. Its taxes run more than one and one-half times as much.

**Investment in New York**—To earn this money, Socony-Vacuum has spent many million dollars in the State for plant equipment. Its present investment in New York State is \$96,000,000 or about \$14,000 for every employee. This includes three refineries, over 1,200 company-owned service stations, 78 bulk plants, each representing a substantial investment in property and equipment, tank trucks, self-propelled barges and towing barges used principally to bring products into the state.

If we consider all these figures—payroll, supplies, repairs, new capital, taxes, dividends, and interest—we estimate that Socony-Vacuum paid to the people of the State of New York around \$50,000,000 in the year 1943. And this is the story of only one company among many hundreds operating within the State, creating jobs and products for the people.

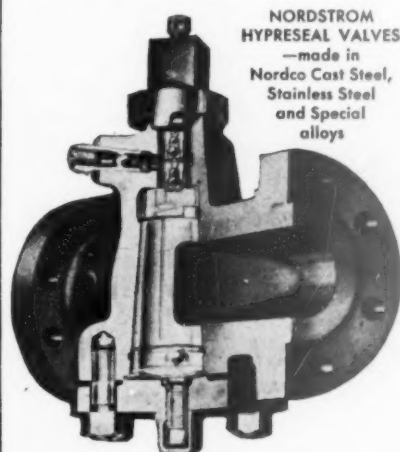
W.C.

## The Valve with MERCHROME-COATING (HARD FACED)



**Handling Phenol  
in concentrations up to  
98% at 600° F.**

The above photo shows a Nordstrom Valve (disassembled for inspection) which was installed in 1939 in a phenol plant of a large oil company, handling phenol in concentrations up to 98% at 600° F. at 150 lbs. pressure. *That's a tough service.* The average life for a carbon steel valve in this service is six months. This valve is still in service. It's a Nordstrom Hypreseal Valve, made of Stainless Steel and Merchrome Coated. Both the plug surface and interior of the valve are hard-faced with Merchrome Coating, to give many times the life of an ordinary valve.



**NORDSTROM  
HYPRESEAL VALVES**  
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Nordco Cast Steel,  
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Sizes ½" to 30". For all temperatures.  
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VALVES  
KEEP UPKEEP DOWN**



# THE TREND

## FINANCING RECONVERSION

One vital area of the war and postwar business picture has just been mapped by two Commerce Dept. economists, S. Morris Livingston and E. T. Weiler, in attempting to answer the question, "Can business finance the transition?" In the February Survey of Current Business, they come up with the first definitive estimates of what liquid assets business has accumulated in the war so far, and of what additional funds business will receive and must expend in a postwar year of transition to peace. Their answer—perhaps surprisingly—is that business in general not only can finance the transition, but also will have at least 10 billion dollars and perhaps more than 20 billions left over for expansion.

• **Here's how they arrive at the result:**

During 1942 and 1943, corporate business accumulated 23 billion dollars of cash, bank deposits, and government bonds. Eight billions piled up in undistributed profits and 12 billions in depreciation and other reserves, but only 5 billions of that went into capital outlays on plant, equipment, and inventories. Changes in debt relationships between corporations and others—funds owed by or to government, consumers, and noncorporate business—canceled out. Finally, tax accruals increased by 8 billions.

Now, in addition, noncorporate businesses—including, of course, farmers and professional men—have accumulated liquid assets, which can be estimated with reasonable accuracy to range between 10 and 15 billion dollars. That makes a total accumulation for all business of 33 to 38 billions.

During a year of transition, even if there are no undistributed profits, business will make the usual provision for depreciation and depletion of 5 or 6 billions; and the government will pay for work and materials on uncompleted contracts an estimated total of 9 to 14 billions. Altogether, this would range from 14 to 20 billions on the Commerce economists' figures.

• **There would be thus available an estimated 47 to 58 billions.** Maximum charges against these assets during the transition year are estimated at 36 billions, in this way (in billions of dollars): 8, at most, to pay off tax accruals; 8 to cover all costs of rebuilding civilian goods inventory to replace materials sold off because they're unusable in peace; 11 for equipment purchases—6 for normal replacement in the year, 5 for deferred purchases; 2 for deferred maintenance; 3 for re-extension of consumer credit; and 4 for all costs in reconversion to peace, including change-over of facilities, overhead during changeover, and expenses of rebuilding sales organizations.

Thus, 11 to 22 billions would be left for expansion. The authors assert that they made maximum allowance

for all charges and minimum allowance for all receipts; for instance, no account is taken of additional accumulations that will be made during 1944 and any other war years, nor of excess-profits tax refunds secured through carrybacks. So the reserve would likely be nearer 20 billions than 10. For comparison, the net total of private outlays on plant, equipment, and inventories was 10 billions in 1941, the peak for two decades.

It's concluded that accumulated assets are sufficient "when taken in the aggregate, to meet all of the charges which are in any way related to the transition from war production to the prewar level of peacetime output and leave a substantial balance for expansion above the prewar level."

• **Even if the estimates of the careful Commerce economists are accepted, the problem remains of whether the assets are where they will be needed.** For one thing, estimates of reserves, after charges, for corporate and noncorporate business are lumped. In view of the large incomes made by many agricultural, professional, service, and other noncorporate enterprises during the war, and the relatively small volume of their transition charges, a large part of the accumulation available for expansion may be held in noncorporate hands and a relatively smaller portion in corporate tills.

Secondly, much of the expansion of the economy above prewar levels must be concentrated in "new" industries with little prewar activity. Whether these industries remain infants today or whether they have experienced a mushroom wartime growth, in general they have inadequate liquid assets for the job ahead, and their capital funds after the war must come from the banks, the capital market, or—if those are not feasible—very slowly from plowed-back earnings, unless ways are found beforehand to expedite the process.

Despite these qualifications, the Commerce estimates do indicate considerable reserves where they can be used and are needed.

• **So far as business will undertake ventures with its own capital that it would not or could not undertake with outside funds, the wartime accumulation of liquid assets by business will stimulate postwar activity.** (There will be some incentive to use the assets—for example, in purchasing cost-cutting equipment.) From this standpoint, two big problems remain: (1) to make venture capital available to businesses that have investment possibilities but lack adequate accumulations; (2) to clarify the outlook for profits and so improve the incentive for business to employ what accumulations it does have.

*The Editors of Business Week*

*Business Week • March 4, 1944*

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